

The departmental budget decision making reconvened on May 13, 2013 at 9:08 a.m., and proceeded as follows:

**Deliberation and Preliminary Decision-Making:**

Honorable Tim Bynum  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable Mel Rapozo  
Honorable Nadine Nakamura  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro, Council Chair

Chair Furfaro: Aloha and good morning everyone. I would like to call back from recess for the budget hearings. We start today with the follow-up on the Capital Improvement Project (CIP) item which was in discussion before we adjourned Friday, I am sorry. I want to point out that Engineering CIP Manager, Treasurer, if there are any items in there that have moved farther along than we are anticipating, then you need to raise your hand and tell us. You need to keep us informed. On another item, I am going to be distributing a memorandum to you folks that I worked on over the weekend on some financial matters in comparing the eight (8) months of actuals and what is actually made up of the fund balance now. I do believe we have actually in the first six (6) months collected a little bit more than what was forecasted in actual real property taxes that are not reflected in the numbers that were given to us to the tune of about one million dollars (\$1,000,000). I think that is conservative and I want you all to know that I was always pretty conservative in my numbers. Along the other line I met with Steve this morning and I am feeling comfortable also that there is about five hundred forty-eight thousand dollars (\$548,000) in fund balance unaccounted for in the way of not being physically identified but not being physically assigned to anything. The good news when I get my piece out to you folks is that I think we have about one million five hundred forty-eight thousand dollars (\$1,548,000) that is in the actual mode of eight (8) months actual that is not counted as available to us which might go to the top of the list. I would like to have some conversation with you a little bit later. Today's business, we are going to go through the last item we had in CIP, if there are any challenges on it and if not, we are going to go through the rest of the CIP as reductions. Then we will start by going to additional revenues of which I already shared with you folks. I have a worksheet that I am going to pass out also about revenues for the Golf Course in the way of fees. That will add about one hundred seventeen thousand dollars (\$117,000). But I want to make sure on this one, if we agree on that, we also have to agree in advance that we will be supporting the rate increases. I will go over that with you. On that note, do you have my worksheet for me to sign? We can pass this out directly.

Is there anyone in the audience, and please note it is about ten (10) minutes past 9:00 a.m. Is there anyone in the audience that would like to testify on the agenda items that will be covered today, CIP and the revenue cycle?

There being no objections, the rules were suspended to take public testimony.

There being no one present to testify, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: There is no one. On that note, Steve may I open by giving you the floor? Rules are suspended. We are going to start the reductions on CIP.

There being no objections, the rules were suspended.

STEVEN A. HUNT, Director of Finance: Thank you Chair. On Friday, one of the first CIP projects that was voted as a reduction was the Lihu'e Bypass Mauka. I wanted to go through the process of the CIP that is currently appropriated in the Fiscal 2013 and some of the projects that actually may come to fruition before the end of this fiscal year. That is one of them. We have gone through the Request for Proposal (RFP) process. We are actually at the point of recommendation of award and contract signing and knowing that you are now looking at suspending that for Fiscal 2014, if we were to complete the process for Fiscal 2013 which has been appropriated, then that potential savings of one hundred thousand dollars (\$100,000) would not be there. I am looking at, as we go through these recommended CIP cuts at the moment, that we have a Department Head or the CIP Manager speak to the process, much like we did when we went through the vacant positions whether offers have been made, whether positions have filled, that there is an update provided. I am concerned about the process that we are in fact appropriated those funds in Fiscal 2013 and now we are somewhat hamstrung if we are changing the appropriation and there may need to be an adjustment to the Fiscal 2013 CIP budget in order to actually remove or defund those.

Chair Furfaro: I want to make sure I understand because this is carryover business from Friday. Do you want to have Keith and Mr. Dill explain this in detail and answer some questions from the body here?

Mr. Hunt: I would like to have them come up and just explain where they are in that process and how far along we are in that particular line item. But as a general process when these recommended cuts are being made, if there is an impact that they be allowed to speak to that. I know one of the concerns on this particular project was, these are matching funds that are coming in as well and we have gone to the Federal funding source for this on a number of projects that have also been cancelled. I believe the Maluhia Road and the Northern Leg of the Western Bypass had gone down this process. There might be concern about essentially "crying wolf" that we have been given these moneys, you have not spent them, and have been cancelling the projects when we actually need them. If we do this too many times, we may not have that source available. That is one of the concerns as well is our credibility in going through process.

Chair Furfaro: I want to make sure you understand, your people have to want to be recognized to speak to us too.

Mr. Hunt: Understand, if we raise our hand...

Chair Furfaro: Mr. Kagawa you have the floor, then JoAnn.

Mr. Kagawa: So Steve, you talk about one hundred thousand dollars (\$100,000) savings. But it is my understanding that from the Bond Fund, it is not really savings that can be used elsewhere. It is just savings in the Bond Fund right.

Mr. Hunt: Correct. But if it was Council's prerogative to reassign that one hundred thousand dollars (\$100,000) to a project that they felt was more important, that cut of that one hundred thousand dollars (\$100,000) that was going to be

put to another project, if it actually gets encumbered, it is not available for Fiscal 2014 if we do it in Fiscal 2013.

Mr. Kagawa: Okay.

Chair Furfaro: JoAnn you have the floor.

Ms. Yukimura: Thank you. What you describe Steve, is evidence of the dysfunction in our planning process for the projects where we work with the State because we can do very little County money and leverage a huge amount of money but that is also a huge commitment to a project. If there is no agreement between the Administration and the Council and we do not have a clear plan with priorities, that is what you get, this back and forth. I tried to remove that Northern Bypass proposal and lost it here. But then you folks decided this year that that was not a priority. It is really hard to determine our priorities with an obsolete Land Transportation Plan. I mean this is a plan that was dated in 1997 and we are still following it when so many things have change, plus complicated by the fact that the Department of Transportation (DOT) will not talk to us. They will not engage in conversation about it. In this kind of system or dysfunction, we are wasting so much money, time, and energy because it is a yes, no, yes, no, here, there and we do not even know how they will fit and what is the most important because we are going project by project. When you do it in a planning, it is much easier to see what the most important project is and if we could in this planning process come together State and County, come together, County Administration and County Council and work on a plan that we all agree on, then we could fly because there would be consensus. We need some help from the Administration to assert that to the DOT and some leadership so that we can come and I guess it is an opportune time since the Long Range Land Transportation Plan has been so delayed. But now at least there is a conversation that is scheduled for June 13<sup>th</sup>, although Larry cannot be there and he is kind of a key person. We want to know what the way out of this dilemma is and we need partnership and help from the Administration to get us into a rational planning process.

Chair Furfaro: Mr. Rapozo and then Mr. Bynum.

Mr. Rapozo: Mr. Chair, may I ask a question about that project, that one hundred thousand dollars (\$100,000) project?

Chair Furfaro: Go right ahead.

Mr. Rapozo: So Steve, we are...

Mr. Hunt: I do not know much about the project, processes I can talk to.

Mr. Rapozo: If I understood, if we are looking at a one hundred percent (100%) scale, where are we as far as being able to encumber those funds?

LARRY DILL, P.E., County Engineer: Ninety-nine percent (99%).

Mr. Rapozo: Is there any chance of encumbering those funds in this fiscal year?

Mr. Dill: Absolutely.

Mr. Rapozo: If you encumber the one hundred thousand dollars (\$100,000) this year, then it will not be available to cut next year?

Mr. Hunt: Correct.

Mr. Rapozo: That is not going to cut the fund this year.

Mr. Dill: Correct.

Mr. Rapozo: You have no restriction to encumber those funds in this fiscal year.

Mr. Dill: Correct.

Mr. Rapozo: We should be okay?

Mr. Hunt: Unless you are planning on using the one hundred thousand dollars (\$100,000) that you just cut for Fiscal 2014 to re-appropriate somewhere else because those funds will not exist.

Mr. Rapozo: That is my point. I think it happened last budget if I am not mistaken with some amounts of money. I believe, if I remember correctly, it was the Drug Treatment Center Study.

Mr. Hunt: Correct.

Mr. Rapozo: That we said stop and the funds went and got encumbered and that is your prerogative to do. That is the Administration's prerogative to do. I did not want to vote to remove that money, but I just wanted to get a better picture. In line with what JoAnn was saying and I said this numerous times, I think this County, we allow the funding to drive the planning. We go after the funding and whatever we can get and spend now, we will go even if it disrupts the plan, if there is even one. I guess I agree with JoAnn that we have to get a better plan that will let the plan dictate going after the funds versus using the term "low hanging fruit." There are the funds here and let us go get it. Let us go spend it and even if it is not part of a master plan or general plan. Anyway, I appreciate the explanation Larry, ninety-nine percent (99%), we are there. Thank you, Mr. Chair.

Chair Furfaro: Mr. Bynum. Keith, did you want to say something? Larry you want to say something?

Mr. Dill: Just to respond a little bit to Councilmember Yukimura's comments. I certainly concur the 1997 plan is an old plan and it needs to be updated and it is a good thing that the State is finally updating that plan. We are participating in that process. I will not be present, but Public Works will be there. Lyle will be there for that event. We presented this to the Council last year on the basis of the available information and the plan. Much of that plan, I have read the 1997 plan and much of it is still valid, a lot of the assumptions that are in there. It needs to be updated because it is old. But many of the assumptions are still valid and we have been in conversation with the DOT. I do not know why they have not been forth coming to this body more. But we are in regular communication with the DOT and Federal Highways about projects like this

and they certainly concur with the validity of this project or else they would not have funded it.

Chair Furfaro:

Mr. Bynum.

Mr. Bynum: You are bringing up an important issue that we need to discuss. But we are in decision-making right now and you are talking about credibility. Look back at the last seven (7), eight (8) years the County's relationship with Federal Highways and we have had a lot of problems with credibility and I think we know what those are. The one that is most appalling and I asked you Friday to look into it, look at the history of Hardy Street and that was not the Council that did that. That was the Administration that did that and there have been other examples.

When I came here and people told me that the six-year CIP was a joke. We had no credibility. I started to go to Statewide Transportation Improvement Project (STIP) meetings fifteen (15) years ago and nobody ever showed up to those meetings. We funded the beginning of the bike path because citizens asked the question, "Are there not funds available in the Federal Highways for this?" The County had never gone after those funds ever. So yes, we have to have a big long discussion. So, let us talk about this specific project. When we funded it previously, I am under the impression that it was linked to the landfill. That this whole concept came from the landfill, the idea of having a Resource Recovery Park. How can we cut something that is currently in the 2014 budget and you say we cannot because you have the option to spend the money before we approve the budget? I am confused about that.

Mr. Hunt: It is not the option. When you approved the Fiscal 2013 budget, you essentially appropriated the funds and at that time it was seen as a valid project. That gave the green light to pursue and they have gone through the whole process of going through the contracting, selecting of the vendor, and all of that to the point that we are ready to execute a contract. Between from mid March through the end of the fiscal year, you are now looking at potentially trying to renege on a project that is appropriated because you do not want to fund it in 2014. The reality is that we may not need to fund it in 2014 because we may spend it down and this is a project that may be spent down in Fiscal 2013.

Mr. Bynum: Why was it in the budget if you did not need it?

Mr. Hunt: As a catch-all in case it did not get contracted.

Mr. Bynum: We put things in the budget as a catch-all?

Mr. Hunt: We put it in March and it follows into May.

Mr. Bynum: Then we get into the bigger debate as to whether this is a project that the County, in the long-term, huge project that I think is very unlikely ever to come to fruition. Just because it is in the queue, we should chase the money, right? I have heard this concern from Councilmember Rapozo since before I was on the Council and there are times that I totally agree with it. We get into this mode and chase the money and we say, hey this is matching funds, so we have to chase it and it is some project that never comes to fruition or somewhere down the line the County changes its mind and it has not always been the Council that changes its mind. The Northern Leg of Northern Bypass is a good example. The Administration strongly pushing this proposal even after we had a

comprehensive transportation plan that said it was a low priority and it is a huge expense for a small portion. I questioned that for years. Last year in the budget, I supported to move to cut that funding because of this reason that we were discussing these two (2) things. So yes, we need to really balance this. I understand the credibility concern. We have already gone down this road and if we stop now, what does our credibility look like and basically you are saying, we can go ahead no matter what you want Council, kind of like the Administration did last year with the Adolescent Drug Treatment Center money. After we cut it, they encumbered it anyway which I do not think was a good idea. If we move forward with this, we are making a long-term commitment to future funding for this project, correct?

Mr. Dill: Not necessarily.

Mr. Bynum: This money is for a study right?

Mr. Dill: It is feasibility and environmental preliminary engineering, right.

Mr. Bynum: If the feasibility says it is not feasible, then that money was wasted. If it says it is feasible, let us move forward and we are talking about something that takes substantial County match moneys in the future.

Mr. Dill: But I would not say it is wasted because when you do the feasibility study, that is the nature of a feasibility study to determine if it is worth pursuing or not. Either way the decision is knowledge to help you move forward one way or the other. So, you have to look at other options. But I would like to clarify a couple of things. The genesis of the Līhu'e Mauka Bypass was not the landfill. It was the 1997 Long Range Transportation Plan. It came up again in the context of the discussion for the landfill as potential access for the landfill. We have since determined that it is not necessary, but would nevertheless be a significant benefit to traffic in the Līhu'e/Hanamā'ulu area because it would divert traffic from going through town to get to the landfill. I just want to clarify that the genesis was not the landfill for this project. Also to clarify one other point, you will see many projects that are not encumbered yet. As I mentioned before, we are ninety-nine percent (99%) encumbered therefore you still see the one hundred thousand dollars (\$100,000). If it was one hundred percent (100%) encumbered, you would not see the one hundred thousand dollars (\$100,000). Am I correct?

Mr. Hunt: Yes.

Mr. Bynum: But is it correct that the fundamental question here is do we want to make a commitment long-term to pursue this project which is likely to incur more funding in the future? I mean, if that is a really strong sentiment, then maybe we should move ahead. But the Northern Leg is a great one. Many Councilmembers came to the conclusion, that this is not why we should prioritize our funding. But it took a couple of years for the Administration to wake up to that, I think. I assume, because the money was removed this year, right?

Mr. Dill: The money was removed this year, yes.

Mr. Bynum: When I look at all of our transportation needs, short-term and long-term, is this the priority? I am going to find out what ever happened to Pouli Road? That was a really high priority. We spent come money. It was in the budget.

I do not know as I sit here what happened to that. It still comes down to a choice of priorities and this is a fundamental time for this, what is a huge project. We are going to move forward or not?

Chair Furfaro: For those who have not asked questions yet, I am going to go to Vice Chair Nakamura.

Ms. Nakamura: Good morning. Just wanted to clarify that the intent is that this road would be eventually would be a State project?

Mr. Dill: It is identified in the 1997 plan as a State project.

Ms. Nakamura: If it is a State project, does the State have funding for these types of feasibility studies?

Mr. Dill: They could have pursued this, yes. That is my understanding, is these funds would have been available to them to pursue as well. I am not real familiar with the exact state of their funding. But I believe they could have pursued this.

Ms. Nakamura: We just do not know what the priorities were and that is why we wanted to move it along by putting up County funding up?

Mr. Dill: Correct, yes.

Ms. Nakamura: But if we had done nothing, the State may or may not have decided to pursue a feasibility study.

Mr. Dill: Correct.

Ms. Nakamura: Thank you.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: The ninety-nine percent (99%) is encumbered, but it is not encumbered?

Mr. Dill: We are zero percent (0%) encumbered right now. You are either encumbered or you are not.

Mr. Hooser: Right.

Mr. Dill: But we are very close to the point where we can be encumbered.

Mr. Hooser: We are not encumbered?

Mr. Dill: Correct.

Mr. Hooser: If we left that money in the budget, the Administration would encumber the funds, is that my understanding?

Mr. Hunt: Right now it is actually considered pre-encumbered.

Mr. Hooser: No, but it is either encumbered or it is not encumbered.

Mr. Hunt: Correct.

Mr. Hooser: If the moneys remain in the budget, the Administration's intent is to encumber the funds and move forward with the feasibility study, is that correct?

Mr. Hunt: That is correct.

Mr. Hooser: I mean if it is not correct, tell me.

Mr. Dill: That is correct.

Mr. Hooser: If we remove the funds which we already voted to do, then the Administration will encumber the funds and move forward with the project anyway. Is that what you are saying?

Mr. Dill: Yes, because you have not removed them from the Fiscal Year 2013 budget.

Mr. Hooser: You would disregard our clear intent and go ahead and encumber them in 2013 before our action took effect? So, you would scoop it from in front of us before we can use it for something else?

Mr. Dill: You can use any terminology you like. But the Council's clear intent in Fiscal year 2013 was to fund the project and so we have diligently followed that for the last several months in scoping the project, working with DOT, and working with Federal Highways. All of our consultants have put in the effort to put in responses to our requests for proposal, we have selected a consultant, and we negotiated the contract, all following Council's clear intent in Fiscal Year 2013 CIP. This is, we feel somewhat pulling the rug from under us and that is the problem that we are having now.

Mr. Hooser: Chair, I suggest we move on. We voted, they are going to do what they want to do anyway. They have already said that so nothing seems to matter.

Chair Furfaro: I just want to clarify, in their defense, Mr. Hooser and I follow your point very much. When we approved it in 2012-2013, the reality is that they can move it. It does not have to come back to us. Your point is well taken. But so is Mr. Hooser's and I have never heard of...what did you say? The pre-encumbered. I have never heard that term before. Where did that come from?

Mr. Hunt: Maybe Ernie can speak to that. He has done the procurement end of this.

Mr. Hooser: A follow-up after he does that.



Chair Furfaro: I will give you the floor back, Mr. Hooser. I do not know how you can pre-encumber something that has not been approved.

ERNEST W. BARREIRA, Budget & Purchasing Director: Good morning, Chair and members of the Council. Pre-encumbrance is an actually an accounting terminology whereby a requisition must be processed before any Department submits a procurement request to the Division of Purchasing. That establishes proof that the funds that are needed to support the project are in fact, allocated within the budget and can be confirmed within our financial accounting system. It is called a "pre-encumbrance." A requisition pre-encumbers the money, a fund certification which eventually leads to a contract, a fully executed contract or the issuance of a purchase order will fully encumber the moneys.

Chair Furfaro: Understood, Ernie. But what I am saying is you can do a pre-encumbrance with the money that is in this current budget?

Mr. Barreira: Yes, sir.

Chair Furfaro: How do you do it for next year's money that we have not approved yet?

Mr. Barreira: You cannot do that. That is not the intent.

Chair Furfaro: That was my point.

Mr. Barreira: Yes.

Chair Furfaro: I promised Mr. Hooser I was going to give him the floor back. Mr. Hooser.

Mr. Hooser: If the Administration wanted to, they can pull the plug on this contract because it is not encumbered and the repercussions from that would be perhaps a loss of credibility with the consultant and the State or Federal government? But would there be any other tangible repercussions, fees, or penalties?

Mr. Barreira: In my recommendation, I think the issue is deserving of a legal discussion in terms of contractual obligations and the meeting of the minds which I cannot comment on.

Chair Furfaro: I clearly disagree with, Ernie. You are kind of telling me it is a legal question about next year's money. I am sorry, Mr. Hooser.

Mr. Hooser: No, I am finished. I am done.

Chair Furfaro: Bynum and then JoAnn.

Mr. Bynum: I have a question about this and what happened what happened last year. We removed funds from the study for adolescent treatment and the Administration encumbered it anyway. Then that put us out of balance, right? We violated the Charter in essence, did we not? The Administration took actions that they knew would give us an unbalanced budget.

Mr. Barreira: In terms of any interpretation about a violation of the Charter, I would defer to the County Attorney.

Mr. Bynum: Well, we had to fix it, right?

Mr. Barreira: We did.

Mr. Bynum: Because we were in the year with an unbalanced budget which is against our Charter.

Mr. Barreira: We submitted two (2) bills to balance the budget, yes.

Mr. Bynum: Right and so that is kind of what you are saying right now is that even though we know your intention, Council, we may go ahead and encumber the money anyway because we can.

Mr. Barreira: I believe that is the interpretation as we sit here today. Yes, sir.

Chair Furfaro: We have got so many more.

Mr. Bynum: I will try to be quick. But the story I just heard and please correct me if I am wrong, this was in the Long Range Transportation Plan, State Plan since 1997, doing nothing, going no where, and there are many things in the plan that will go nowhere, we know because it is a conceptual plan. It is kind of like the bike plan Kaua'i which conceptually has paths all over the island. But we have to take subsequent action to take that concept and put it into reality and this ended up getting back on the radar screen at our request as a County, right? We will help with this and the reason was for the landfill, right? The initial reason we re-upped this, it did not come from out of the blue and now we are hearing that the landfill does not need it and it is not a requirement. It is still this long-range, but I am concerned about the credibility issue, that is why I was concerned about us last year about Hardy Street where we were actively engaged with Highways on one side of the government saying that we need to get this going, it is important for our community and it is tied to the Līhu'e Civic Plan and the Līhu'e Plan. Come on State, please help us expedite this and they did and then the Administration said no, we do not need that money for six (6) more years. That is the thing that has been happening. We are on the way to correcting that by having a six-year CIP that is meaningful. Maybe this is the death throes of us doing un-credible things with Federal Highways, but that is the name of the game for this County and for other Counties. Priorities shift, things change, that is why we have the strategy of getting ready to go so we can capture moneys when Maui makes similar decisions, right? To me it is still a big question is this the thing that we want to fund and pursue? I am open to hearing more about that and maybe even changing my mind if you really feel it is that important.

Chair Furfaro: I am only allowing this discussion because this will be almost since we are in CIP, this would be like a reconsideration. But that is up to the members. JoAnn and then Mr. Kagawa.

Ms. Yukimura: Thank you. Larry, you said that some assumptions of the plan are still current. My question is what assumptions are you referring to? It is also what is the amount of money that if we follow the plan, it will take to

implement the plan and within that plan, which are the priorities that are current? I do not think we have had any discussion on that. Therefore, it is not responsible to move ahead with certain projects without having a consensus between the Mayor, the Council, the County, and the State. My question to the Administration is given where we are, are you willing to not encumber the moneys, which I believe you can legally do, in deference to the Council's concerns about this Bill and come back if there is a consensus that we develop through our discussions to request the money again?

Mr. Dill: I think our preference would be to proceed on the basis we are currently proceeding, get the contract executed, and keep moving forward.

Chair Furfaro: That is the answer to the question. We have got a long way to go here. Mr. Kagawa, you have the floor.

Ms. Yukimura: I have a follow-up.

Mr. Kagawa: Mr. Chair, I want to try and speed things up. I mean, we heard the answer. We heard the Mayor come in and say we have to agree to disagree at times. They are not doing anything illegal by proceeding. Do I agree with what they are doing? That is for me to decide and I mean, we are talking about the Civic Center, the landfill, the drug treatment center and we are on the Līhu'e Bypass. I mean, the plan was we were going to try to get through CIP, try to get through our additions by today whether we go late or not. At the rate we are going, even if we stay in all the way to midnight, we will not get done because we are just drifting off subject and we are not even being timed or anything. It is ridiculous.

Chair Furfaro: I stated my position in the beginning. I am going to allow some dialogue here. We are half an hour into dialogue and everybody has had two (2) attempts to speak. Who has not had a second time to speak? Mr. Rapozo.

Mr. Rapozo: I am not going to speak. What I want do is make sure that we follow the process and I mean no disrespect to anybody. But as Mr. Kagawa said, if we continue on this long dialogue that is really outside of what this issue is about, we will not get done. As much as you want to get done, Mr. Chair, we will not. I would ask that when we are on a new item, that we follow our rules, set the timer, and each Councilmember has the appropriate time, otherwise we will not.

Ms. Yukimura: I have one question.

Chair Furfaro: You have one question, JoAnn. Keep it to a question.

Ms. Yukimura: Yes. Is the Administration willing to not encumber the moneys if we keep the money in the budget in some form of contingency and allow us to have a discussion before the money is encumbered? A discussion within the next month or two (2)?

Mr. Dill: As I said, we prefer to move on the path we have are moving on. We have relied on the Council's approval of the budget from last year and have moved forward accordingly.

Ms. Yukimura: Thank you. Well, there are changing assumptions here. Thank you.

Chair Furfaro: At this point, is there any one that wants to reconsider the vote? Seeing none, thank you, gentlemen.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I want the Administration to know that you equally have to produce a reasonable discussion on why you want something to be reconsidered. We are still in CIP and we are moving along.

Mr. Rapozo: Mr. Chair, if I may, just because I think from what we heard, they are going to encumber the money.

Chair Furfaro: Yes.

Mr. Rapozo: I think it would be irresponsible for us knowing that they are going to encumber the money to proceed with removing those funds. We are going to end up in the same boat. I was on the losing side, so I would encourage someone on the winning side. Whether we agree or disagree, whether it is pulling the rug from under us, one would argue that we do that too. When you folks come to our budget and we have the votes, we pull something out from under your feet. That is this process. I would highly suggest that someone on the prevailing side make the motion to reconsider. It is going to happen. We know it is going to happen and whether we agree or disagree, I would suggest that, Mr. Chair. Thank you.

Chair Furfaro: Is there anyone that was on the winning side?

Mr. Bynum: Now we have a different discussion about whether we should reconsider.

Chair Furfaro: Yes, that is the purpose and the prevailing side was Tim, Gary, JoAnn, and the Chair.

Mr. Bynum: Do I have the floor?

Chair Furfaro: Yes, go ahead Mr. Bynum.

Mr. Bynum: I agree we should not have this long discussion right now. But basically the Administration just came up and said we are going to do what we want. We are going to create a situation like we did last year where you have an unbalanced budget and you have to fix it. That is not the way to do business right here. We have a right to pull this funding and if you move ahead after the Council has done its intent, that is highly inappropriate in my view. However, having just said that, I do not want a – you can come up with anything that we do in CIP, you could do this unless it was first year funding, right? If it had been in a previous budget previously and you did not like what the Council did, you could run out and encumber it. Is that the way we want to do business going forward or do we want to solve this problem of our credibility which has been a problem both on the Council and the Administration's side over the last few years? I want to solve the problem, but I do not like doing it under pressure. You are basically

saying we are going to do something which I consider irresponsible. If you feel that really strong about it, I would be willing to vote to reconsider. Then we can have a discussion about the merits again.

Ms. Nakamura: Can you make the motion?

Mr. Bynum moved to reconsider the motion to remove funding for the "Lāhu'e Bypass Feasibility Study (County Match)," seconded by Ms. Nakamura.

Chair Furfaro: We have a motion to reconsider and second by Nadine. Nadine was a silent vote so her vote fell with the majority and she can second the motion to reconsider. We are in a motion now to reconsider made by Mr. Bynum and seconded by the Vice Chair. JoAnn, I will recognize you.

Ms. Yukimura: I suggested a compromise which I thought would allow us after the budget to have a lengthy discussion. I do think the Administration owes us a plan with priorities about what projects we are aiming for and I think this is a proper time to talk about it. Actually, it is a little late. I would prefer that we land on that. If so, the money will stay in the budget. But at least we will have a discussion and give us all more clarity about what this road is about. We will get Larry to give us his assumptions that he says are current about it and we will be able to really look at the overall plan for the island in terms of what our major roads are rather than continuing to throw money down, both State and County moneys, down a rat hole.

Chair Furfaro: Then that was your speech on the reconsideration. Mr. Heu. I am sorry, Mr. Hooser. I am looking at Mr. Heu.

Mr. Bynum: They are both Gary.

Chair Furfaro: They are both Gary, too on top of that.

Mr. Hooser: I will not be supporting the motion to reconsider. I mean, if the Administration wants to disregard the intent of the Council, that is their prerogative. I do not have to agree with it and I believe as long as we did not appropriate or spend it somewhere else, then we are acknowledging that they are going to spend it and we are not spending it on something else that might be the another way to approach it. Let us not put one hundred thousand dollars (\$100,000) on another item, but just ignore it. I am not going to support the motion to reconsider is the bottom line. Thank you.

Chair Furfaro: Mr. Kagawa.

Mr. Kagawa: Thank you. I am going to support the move to reconsider while I actually was against the motion to take it out anyway. Last year's Council was in support of doing it so it is kind of mixed. Last year's Council approved of doing it and this year's Council by a majority vote does not. I say it is an Administrative prerogative what to do within your means to do what you want to do in following the law and that is why I will be voting to keep the moneys in. Thank you.

Chair Furfaro: Any further discussion? This is a vote on the reconsideration. If not roll call to reconsider the one hundred thousand dollars (\$100,000).

The motion to reconsider to motion to remove funding for the “Lāhu’e Bypass Feasibility Study (County Match)” was then put, and carried by the following vote:

FOR RECONSIDERATION: Bynum, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
AGAINST RECONSIDERATION: Hooser, Yukimura	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: We have five (5) ayes for the reconsideration?

JADE K. FOUNTAIN-TANIGAWA, Deputy County Clerk: Yes.

Chair Furfaro: Now we are reconsidering the item. My Bynum, you have the floor.

Mr. Bynum: I know we cannot approve these funds and then ask for a proviso to come and discuss it before they are expended. I know we cannot do that. But I can ask the Administration if they would be willing to make that commitment, that we put the funds back in the budget and you do not encumber them until we can have a full dialogue at this Council. It will still be your option to encumber or not, but I am asking that in order for me to vote to keep this funding in. If you will agree to come and have a Council Meeting where we discuss these broader issues at a time where it is more appropriate.

Chair Furfaro: Vice Chair.

Ms. Nakamura: I will be supporting putting the funds back in and I agree with Councilmember Bynum that I think a fuller discussion is important. In looking at the six-year CIP, this is a forty million dollars (\$40,000,000) construction project estimated with in the future eight million dollars (\$8,000,000) of County Bond Funds being appropriated to this project. That is why this discussion of the six-year CIP is so important and I hope in the future it will happen at the end of each year or the very beginning of the fiscal year so that we can have these discussions prior to getting the budget.

Chair Furfaro: Mr. Rapozo.

Mr. Rapozo: Right now as we sit here today, the money is out.

Chair Furfaro: For next year’s budget, yes.

Mr. Rapozo: Right. It is out. The money is in this year’s budget and it is going to be encumbered. So, being that the money is out of next year’s budget, I do not understand what action that this Council has to take because it is not in the budget. So there is really no action. If the action was to remove the money, I do not understand what we would do. It is out for next fiscal year. Steve, if I am wrong, correct me. But I am saying as we sit here today, the budget has been removed. The Administration has told us that they do not need it next year because they are going to spend it this year. We are working off a brand new budget for a new fiscal year and in the budget as we sit here today, it is not in there so we do not need to do anything. It is out. I do not believe that any action is necessary. I believe that the action was taken and that is it. Am I correct?

Chair Furfaro: I think it would be appropriate to make that assumption and to get someone from Finance up here.

Mr. Rapozo: I am just trying to figure out what the motion would be? The motion was not to remove, it passed, and so the money is not there for next year. The motion was not to remove it from this year which that would not be able to be done anyway. Am I correct, Steve? That the fact that the money is removed, everything is okay?

Chair Furfaro: You have the floor, rules are suspended.

There being no objections, the rules were suspended.

Mr. Hunt: Thank you. My understanding is in the March submittal there was some uncertainty as to whether this project would be done by the end of the fiscal year which is why CIP Manager Keith put it in the budget. Probably should have been amended earlier in May when we had a better timeframe as to what that was. But it probably continued to roll over. In one regard, you are right. It would not be reflected in Fiscal 2013 if we spend down now. Currently it is though.

Mr. Rapozo: But we are not discussing Fiscal Year 2013 budgets today. We are talking Fiscal Year 2014 budget.

Mr. Hunt: Correct. What I am saying is that currently in the Fiscal Year 2014 it is included as a one hundred thousand dollars (\$100,000) line item.

Mr. Rapozo: But we removed it last week.

Mr. Hunt: Correct.

Mr. Rapozo: This Council made the motion to remove that item and it was removed.

Mr. Hunt: Correct. So long as that savings are not supplanted somewhere else, then there is nothing to do.

Mr. Rapozo: No, we can do whatever we want. We can add five hundred thousand dollars (\$500,000) if we wanted to. I mean we just have to come up with the money to fund it. But I am just saying as we discuss this today, there is no action to be taken because the money is not there. We are working off the May 8<sup>th</sup> submittal.

Mr. Hunt: Correct.

Mr. Rapozo: The one hundred thousand dollars (\$100,000) that everybody is talking about is not there right now. So there is really no action to be taken by this body. Obviously, now with the motion to reconsider, we have to restate the motion to remove which I would assume would get a unanimous consent. Notwithstanding all the disagreements or whatever, I mean I could sit here and tell you all the projects that I never supported that got picked. That is neither here, nor there. The body decided and the body took action. I agree with Ross that you folks have the prerogative to do it.

Mr. Hunt: Correct.

Mr. Rapozo: It is not irresponsible because again, one would argue when we did not pass the tax increases or the fee increases, you could use the same argument that that was irresponsible on the Council's part knowing that we did not have a balanced budget and now we have to chase moneys.

Mr. Hunt: Correct.

Mr. Rapozo: I would just ask that we each would use our authority on either side of the aisle and where the chips fall, is where the chips fall.

Mr. Hunt: My understanding and not project specific but just in general with the CIP, it is not an eight (8) month CIP project it is the full fiscal year and there is the process that you could defund a current Fiscal 2013 by amending the CIP Budget Ordinance. So that would be the process to defund something that you did not want in the Fiscal 2014. You could do it now through amending the Fiscal 2013.

Mr. Rapozo: Correct.

Mr. Hunt: But to hamstring the remaining four (4) months of the year on projects that you approved and we are in the committed process.

Mr. Rapozo: We do not have enough time to do that right now because of the requirements so that is a moot issue.

Chair Furfaro: Let me just give everybody clarify. On Friday in the budget we removed the one hundred thousand dollars (\$100,000). We did not remove it from last year's budget.

Mr. Hunt: Correct.

Chair Furfaro: So that we are all clear. Now we are reconsidering that removal, right? We have approval to begin this discussion about returning it. But you have money in the previous CIP that would come cover this.

Mr. Hunt: Essentially it is the same money and this was just a cover for timing lapse in case it did not happen.

Chair Furfaro: I just have to go through those steps for everyone.

Mr. Hunt: Correct. Thank you, Chair.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: Yes, I wanted to second what Councilmember Rapozo said. I think my wife has a saying. She says "when the penny drop," so the penny dropped for me. The money is not in the budget. We removed it. The Administration does not need it in the budget because they are spending it on the 13<sup>th</sup>. So, we do not need to take any action, I agree. It actually makes less sense putting it back in the budget because they are spending it in 2013.



Chair Furfaro:

Mr. Bynum.

Mr. Bynum: When you present us a budget that says here is the CIP money we want to continue with into 2014, it is fair for this Council to assume you are not going to encumber in 2013 or you would not be putting it in 2014. I am very uncomfortable with this whole discussion because what the Administration did last year, say Council, even though you cut the funds for the Adolescent Treatment we are going to go ahead and encumber it. As far as I know, that had never happened before because I can. But it was inappropriate. It was irresponsible. Now this year, Larry was clearly really unhappy and said we are right at the brink, but on Friday, had accepted that the Council said no, we are not moving forward with the project. Now you come up here this morning and say we really want this bad, will you reconsider it? But that is not all you said. You said because we have the right to encumber and we will do what we did last year again. It is highly inappropriate. This is not the way we want to do business. Yes, there is a problem, if we add the money back and you encumber it, we will be out of balance again. I think we need to follow-up with legal interpretations whether that is legal or not. Last year I was appalled when that happened. I did not make a big deal about it because we have enough things to argue about in this County so we will let it slide, it was an anomaly. It is not an anomaly, it is an intended practice. If you wanted to encumber the money in 2013, it should not have been in the 2014 budget. Do you disagree with that statement?

Mr. Hunt:

I will let Keith speak to that, on the timing.

Chair Furfaro:

You have the floor.

Mr. Suga: I think Councilmember Bynum is bringing up some good points. As I went through the process this year and worked closely with the different Department Heads for all of the CIP projects, we went through several meetings to try to identify which projects were actually going to move forward and which projects, for example, like the Northern Leg was something that we considered to defund to move funds to more appropriate projects. I believe this is always from my experience going through the process the first time, it is certainly a timing challenge because when we submit in March, we are utilizing the unencumbered balances as of the ending of February and what moneys currently there, does not mean that the people were not working on the projects. They could have still been working through the Līhu'e Bypass Project, but at that current point in time, the moneys were not encumbered yet. But yet we have to submit something showing, at that point and time, the unencumbered balances. As we go from March to the second submission, there is the same time issue that happens where prior to the submission in May, I am working with the Analysts to look at the unencumbered balance and there could be some changes with some things that got encumbered and maybe some things did not that I have to take into consideration as we produced the May. Again, it is not as if I feel that we are waiting unit the last minute to encumber something. It is just part of the process. At that point in time, the project was not ready to be encumbered. But there are several that between perhaps March and May that have been.

Mr. Bynum:  
submittal.

But you did not remove this from the May

Mr. Suga: Because at that point in time when we ran the numbers, it physically was not encumbered yet.

Mr. Bynum: Between last Friday and this week you figured out that you wanted to encumber this year?

Chair Furfaro: I think we are missing something here first of all. Steve, the one hundred thousand dollars (\$100,000), that was put in the CIP last year?

Mr. Hunt: Correct.

Chair Furfaro: This Council cannot take that money.

Mr. Hunt: You could. You would have to amend the CIP Budget Ordinance and that is the vehicle, if you really felt strongly about defunding the project.

Chair Furfaro: That is the vehicle that we would have to use?

Mr. Hunt: Correct.

Chair Furfaro: What we are voting on now deals with the items that show the proposed budgets. These are the new additions and deletion, right?

Mr. Hunt: Correct.

Chair Furfaro: We are having this discussion and I just want to remind everybody, it would take an Ordinance to move the money from the previous year.

Mr. Hunt: Correct.

Mr. Bynum: May I finish?

Chair Furfaro: Yes you can.

Mr. Bynum: I asked two (2) questions and I did not hear an answer to. Is it reasonable when the Council sees a CIP continued funding in the next fiscal year, that that signals an intention that you need the money in the next fiscal year? That is reasonable for us to assume, yes?

Mr. Hunt: That would be a reasonable assumption, yes.

Mr. Bynum: Is it reasonable for the Administration to say well because we do not like the policy decision you just made, we are going to hurry up and encumber this and throw our budget out of balance. Do you think that is a good practice for us as a County?

Mr. Hunt: I also do not think it is a good practice to have an eight (8) month CIP budget because when the new CIP budget submit that a previously approved project is no longer valid and that really hampers the Administration towards getting any of these done. We have a CIP project that is not going to be one hundred percent (100%) complete by the end of next year. These are project has it all have different priorities, all have different timelines, and all we are doing is assigning funding to those projects. This particular one happens to be one that was moving forward and to go through

the entire process with a valid CIP and appropriated budget and then at the last minute we are talking about rolling over that because we are not sure if we are going to encumber and we want to earmark that for next year to say that we are still pursuing it, to now that the Council feels they does not want those fund approved. But we have gone so far and it is appropriated. The only way that we would get that message from Council is to address the current fiscal to say defund, address it. We do not think this project it valid anymore.

Mr. Bynum: That was a long answer, but you still did not answer my question. Is this the kind of practice we want to do as a County, that if the Administration is not happy with the priorities we set in the next fiscal year that you will run and encumber this before, is that a good practice?

Mr. Hunt: I think that is systemic within the process of the timing of CIP projects.

Mr. Bynum: I do not know if it ever happened prior to last year. Maybe it had, but I do not know that it had. My other question that I asked and had not heard an answer, is if I change my vote to put this back in the budget for 2014, will the Administration agree to come in and have a dialogue about the viability of this project and implications long term before they encumber the money?

Mr. Hunt: I think Larry Dill already answered that question.

Mr. Bynum: What was the answer, "yes" or "no"?

Mr. Hunt: They are pursuing this project.

Chair Furfaro: Let me make sure we all understand things here. Friday, there was a discussion about removing one hundred thousand dollars (\$100,000) from the budget that was already approved. But the one hundred thousand dollars (\$100,000) is in the previous budget?

Mr. Hunt: Correct.

Chair Furfaro: That is your point. We can only remove that by an Ordinance because it was previously approved.

Mr. Hunt: Correct.

Chair Furfaro: The appropriate balance after the Ordinance is the same because it is a carryover?

Mr. Hunt: Correct and if those moneys are encumbered in Fiscal 2013, so long as the one hundred thousand dollars (\$100,000) is not earmarked and re-spent, we are still in balance. It is not an issue.

Chair Furfaro: Understood. On that note, I want to call for the vote.

Mr. Rapozo: Mr. Chair, it is not a commentary. It is a question that I think is very relevant. I think you will agree.

Chair Furfaro: Go ahead.

Mr. Rapozo: Are there any other CIP projects in the proposed budget that are going to be encumbered this year?

Mr. Suga: I believe there are.

Mr. Rapozo: We need that list because we need to take it out of the funding for Fiscal Year 2014. That is a fair question. If there are other projects on this 2014 budget that you know you folks are going to encumber before the end of this fiscal year, then I would agree that it would be irresponsible for not disclosing that to this body. That to me, would be pretty irresponsible. Up until that point, I am the biggest critic of you folks, but I will tell you that I disagree with Mr. Bynum that we should be congratulating you for getting the funds encumbered and getting the project going that was approved in the current year. But if there are other projects that you folks are not telling us that is going to be encumbered, then to me, that is deception. So get that list to us before the end of today, of what projects you folks will encumber this fiscal year so we can adjust the Fiscal 2014 budget accordingly. Mr. Chair, thank you very much.

Chair Furfaro: I would like to call for the vote on the reconsideration. We have a motion and second, right?

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Yukimura: Inquiry? We voted on the motion to reconsider, so we are voting on the motion to restore?

Mr. Rapozo: No, I make the motion to remove the one hundred thousand dollars (\$100,000) as it was earlier passed. The motion to reconsider canceled the vote.

Chair Furfaro: Yes.

Mr. Rapozo: That we did last week. As we sit here today, the one hundred thousand dollars (\$100,000) is in the budget. I am making a motion to remove the one hundred thousand dollars (\$100,000) line item regarding the Līhu'e Bypass Project, because we need to start over.

Mr. Rapozo moved to remove the funding for the "Līhu'e Bypass Feasibility Study (County Match)" in the amount of one hundred thousand dollars (\$100,000), seconded by Mr. Bynum.

Chair Furfaro: Yes. Clarification question? You have the floor and then Mr. Hooser.

Ms. Yukimura: Basically, I hear what Councilmember Rapozo is saying is if it is like just saying we want to stay with the decision we made to remove it.

Mr. Rapozo: That is what Robert says. Robert's Rules of Order says that is how to do it. When you do a motion to reconsider and it passes, it cancels out the action that was taken. Right now the act that we took last week, this body

took, removed one hundred thousand dollars (\$100,000). If we did not do a motion to reconsider, we would not have to do anything. But because we made the motion to reconsider, it canceled out the vote so we are back as if the vote was not taken. I am making the motion again and again I am changing my position now. I am making the motion to remove the one hundred thousand dollars (\$100,000) line item in the CIP budget.

Mr. Bynum: Second.

Chair Furfaro: We have second. Mr. Heu, we are on the brink of a vote. We have been...fifty five (55) minutes on this discussion, unless this is a tactic for us not to pass it, come right up and give us a brief summary.

GARY K. HEU, Managing Director: I do not know. I am not clear on this whole issue of whether by this action we create an unbalanced budget as we move forward. I am not clear and so that is why I was consulting with Mr. Shimonishi and I am not sure if it is worth taking a five (5) minute recess just so that when the Council takes action, we will all be clear on what that action does.

Chair Furfaro: We will take a ten (10) minute recess and I will give Mr. Rapozo the floor when we come back.

There being no objections, the Committee recessed at 10:07 a.m.

There being no objections, the Committee reconvened at 10:16 a.m., and proceeded as follows:

Chair Furfaro: Can I have the County Attorney up, please?  
Amy. Amy could you introduce yourself? Ken, no need to come up.

There being no objections, the rules were suspended.

AMY I. ESAKI, First Deputy County Attorney: He is coming with me though.

Chair Furfaro: You are very clairvoyant and see exactly what I am going to do.

Ms. Esaki: We come as a pair

Chair Furfaro: This is what I am going to do. I am going to push this to the end of the CIP discussion. We are one (1) hour into our morning dealing with procedurals. I believe the moneys are in fact, approved in the previous budget. The fact of the matter is that it would make an Ordinance to remove it. That is my belief. Now Amy, I would like you to prove me wrong, if I am wrong and we will come back to you folks at the end of the CIP discussion.

Ms. Esaki: Thank you.

Chair Furfaro: Thank you.

Mr. Rapozo: Mr. Chair, if I may ask Amy. Amy, as I was just explaining to Mr. Heu, we went into a similar situation last year with the Adolescent

Treatment Center, so I would ask that we would review that process and I am not sure if it is a legal issue or a Certified Public Accountant (CPA), accounting, or a financial issue because they all make sense right not. If you folks could come back and I appreciate it. But I would just ask that we review last year's process because it is almost identical. Thank you.

Chair Furfaro Amy, again what I am asking to you come back with at the end of the CIP, some form of legal opinion. Now if you folks are gathering somewhere, take your conversation outside of the room. I would like to move forward. I want to be very cautious on a discussion item for you folks that if you are revisiting something that in fact is a carryover, you are going to stumble on this procedural issue each time. I would strongly suggest that we are looking at our CIP as it is a proposed new item. A removal of anything that was previously approved will require an Ordinance either from the Council and/or from the Administration indicating that they are no longer doing a particular project that was in the CIP. Let us move forward now at this point. Other items in CIP for discussion today? Mr. Hooser.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Hooser: I would like to propose we remove the funding for the Kapahi Bridge replacement, four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851). I believe the County Engineer indicated that it was not going to be ready. They are looking at going back to the community and looking at changing it. These are Highway Funds also. It is not Bond Funds. It is another reason to take it out of the Highway Funds. If it was going to be funded, I think it should be in the Bond Funds and not in the Highway Funds. We need Highway Funds for operational and buses and things like that.

Mr. Hooser moved to remove funding for “Kapahi Bridge Replacement (County Match),” seconded by Mr. Rapozo.

Chair Furfaro: We have a motion and second. For the Engineering Department, please address us on the engineering assumptions. Do not attempt to address us on the legal or financial assumptions. Larry, you have the floor.

There being no objections, the rules were suspended.

Mr. Dill: As was mentioned Kapaia Bridge is a project we have been going through a lengthy design and Federal 106 Process on to arrive at a firm scope. We have been working with the community and our consultants to get that done. The design funds are already encumbered and moving forward. We hope to be able to conclude the design of that project in Fiscal Year 2014 and be able to go out to bid for the construction of the bridge. This is a project that it is a Federal Highways funded bridge and therefore it is eligible for Federal Highways Fund, therefore we do our biannual bridge inspections. Kapahi Bridge was identified as a bridge that is in critical condition so we moved this one to the forefront as that we would like to move on first to get repaired. To us, this is a critical project and we would like to keep the funding there

Chair Furfaro: Any more questions of Mr. Dill before I call the meeting back to order? Mr. Hooser and then JoAnn.

Mr. Hooser: Just to clarify, you will not be ready until 2015, I thought you said? My question was that I thought it will not be ready for construction until 2015, so we do not need it in this year's budget.

Mr. Dill: It may not be ready until 2015 because of the 106 Process it is difficult to put a timetable on when the design will be done. In the worst case, I think we were to keep on the STIP because it is a Federal aids bridge, we need the moneys in Fiscal Year 2014 to match the Federal aid funds that are available.

Mr. Hooser: The question about whether it is Bond Funded or Highway Funded, Chair, do you want them to address that?

Chair Furfaro: Yes. Where are we at Keith?

Mr. Suga: We are on page 3, I guess it would be of the CIP underneath the Highway Fund section.

Chair Furfaro: It is page 5 for us on the May 8<sup>th</sup> submittal. Questions for Keith? Go ahead, Mr. Hooser.

Mr. Hooser: I guess the question is that why could we not – I do not see the rationale for spending Operating Funds generated from the gas and the other direct fees like that for Capital Improvement Project? Those should be bond funding for major Highway Funds for a bridge project like this. Those funds could be used for operations and for paving roads, right?

Mr. Dill: Correct.

Mr. Hooser: We just raised taxes and the bus needs money and so I thought it would be more appropriate to fund this in the Bond Fund.

Mr. Dill: Well, it certainly eligible for Highway Fund use.

Mr. Hooser: I understand that. I am done.

Chair Furfaro: JoAnn.

Ms. Yukimura: Yes. You said you are almost done with the design work?

Mr. Dill: I am not going to say we are almost done. We anticipate it being done in Fiscal Year 2014 and then once that design is done then we will have construction drawings that we can go out and bid for.

Ms. Yukimura: But the design is that twenty-two (22) foot one-lane bike lane and some kind of a shoulder for the pedestrian?

Mr. Dill: We have not gone back to the community yet, but we have after recent reconvening with our team, looking at down scaling more proportions of the existing bridge. Likely be taking out sidewalk and bike lane because the historic folks are more concerned about maintaining the existing dimensions of the bridge. We are going to down scaling it.

Ms. Yukimura: It does not have to be twenty-two (22) feet wide?

Mr. Dill: Correct.

Ms. Yukimura: How much for the design and how much is for construction?

Mr. Dill: Well, we have in here in the budget four hundred thirty-two thousand dollars (\$432,000), so with the Federal match, that would mean a probing project of a little over two million dollars (\$2,000,000) for the construction. I do not have the numbers for the design in front of me because that was a previous year's appropriation.

Ms. Yukimura: This is for construction then, this four hundred thirty-two thousand dollars (\$432,000)?

Mr. Dill: Yes. There may be some change order things that comes up along for design. But I do not anticipate that they will be significant at this point. The majority of this is for construction.

Ms. Yukimura: If it were removed, then what would be the consequences?

Mr. Dill: I beg your pardon.

Ms. Yukimura: If it were to be removed, what would be the consequences?

Mr. Dill: We would not have a match for our Federal Highways funds. There is always the possibility that we do not have matching funds that the funding can be taken away.

Ms. Yukimura: The prospect is to actually do a replacement bridge?

Mr. Dill: Yes.

Ms. Yukimura: Is that what the community has suggested or is there some talk is about a rehab, like Kapaia Swinging Bridge?

Mr. Dill: Those details have to be worked out. We are going back with a proposal to them that is a long the dimensions of the existing bridge. But because the bridge is in such poor condition now in the existing condition, I do not know how much of a rehab is possible.

Ms. Yukimura: Thank you.

Chair Furfaro: Other questions on this matter? Vice Chair.

Ms. Nakamura: Just to note that in the report that was submitted to us, the design completion by June 2013. Has that been pushed back now?

Mr. Dill: Yes.



Ms. Nakamura: Is that for another year?

Mr. Dill: Well, not for a year, I hope. I am hoping by the end of this calendar year.

Ms. Nakamura: Thank you very much.

Chair Furfaro: For design?

Mr. Dill: I do not have that number with me. I can probably get it to you shortly.

Chair Furfaro: How short is shortly?

Mr. Dill: August.

Chair Furfaro: We will move on to another item. We will excuse you. We are going come back to this. Larry, you can step out. The next question is for the two (2) gentlemen.

Ms. Nakamura: If we are going to have a narrower bridge, do we need fewer moneys for this project?

LYLE TABATA, Deputy County Engineer: Right now, it is slated the estimate is what this money is there for. In order to stay on the STIP, we need to have the matching funds for what was estimated. If we were to remove this, like Larry mentioned earlier, a possibility of complete removal and they take the funds because we are not available with our match.

Ms. Nakamura: What I am asking, if we are going from a twenty (20) feet wide situation with bike paths and so forth and now we are saying that we may kind of down size it, then will that affect the costs of the project?

Mr. Tabata: Potentially. However, some of the requests from the community to match almost directly the existing esthetics will possibly increase the costs and we will need more money. So, I cannot answer that right now. It depends on the outcome of the 106 Process and the design.

Ms. Nakamura: Thank you. This time next year you will have a better estimate of what our actual matching fees may be?

Mr. Tabata: Exactly.

Ms. Nakamura: Thank you.

Chair Furfaro: Steve, can I ask you to come up? Steve, as we start to get this kind of information for projects that will be done in 2015 and 2016 and so forth. But to get in line, we have to pay our dues upfront. Does the Federal government realize what a horrible position that puts a small political subdivision like us in? That we have to earmark funds that affect for at least two (2) years our cash flow. Especially with the conditions of a bond. It is pretty obvious, right? We are not going to get to this thing until 2015/2016 and yet we have to stay in line by putting "money with our mouth is."

Mr. Hunt: That is correct. What we are doing essentially is within the existing bond float, we are earmarking funds and we recognize we are not going to spend all fifty million dollars (\$50,000,000) in CIP within any one (1) year. It takes time to schedule and get these projects in line and until we anticipate a future bond float, then we are committing again those projects that could be used in other projects that may come soon.

Chair Furfaro: So, you see where my questions are going? When are we anticipating a new bond float?

Mr. Hunt: Well, obviously a new bond float would have to look at our revenue sources for repayment on that debt and maybe possibly timing those to some of our 2005 bonds that may be maturing and trying managing that debt service. Certainly, with the Materials Recovery Facility (MRF) and the landfill on the horizon, those will be projects that will require a major bond float and we also have to look at the issues of privatization that go along with that and how we structure that bond.

Chair Furfaro: I think you understand my statement here, right?

Mr. Hunt: Yes.

Chair Furfaro: We are putting almost five hundred thousand dollars (\$500,000) in line for what could be two (2) years and if we do not have it there, we are not in line.

Mr. Hunt: Yes.

Chair Furfaro: Unfortunately. Thank you, Steve. Mr. Hooser and then JoAnn.

Mr. Hooser: Yes, and one of the points is that this is Highway Funds also. It is not Bond Funds.

Chair Furfaro: No, I understand that.

Mr. Hooser: So, I think that it makes it even worse.

Chair Furfaro: Let me clarify my question. I am thinking if it is Highway Funds and we are going to use it, then we ought to anticipate putting it in a future bond, that is what I was saying. Now you kind of follow my flow here.

Mr. Hooser: Yes. The matching, you said it is likely or possible, but is it a requirement that we provide actual cash in the bank for matching funds to stay in there? Go ahead.

Mr. Tabata: Councilmember Hooser, yes. We need to have the money, so to speak, set aside to match and that is the unfortunate thing until such time that we are ready to spend it, to be and stay in line. That is the dilemma that we have since we have come on board that we have been moving funds around to be ready for the shovel ready projects. As we have been moving them forward, this is our third budget that you see a lot of jockeying and moving the money around because we do not want the Bond

Fund sitting there on the shelf for that distance in time. We have been moving them to where we can almost more immediately spend them.

Mr. Hooser: If there was reductions in the bond CIP sufficient to cover this amount, it would be shifted to the bond CIP, is that correct?

Mr. Hunt: That is correct. That is an eligible project.

Mr. Hooser: I am concerned. When we have things like the Kapa'a Pool and bus stops and lots of other things that might be good use of this money, too. I hate to see five hundred thousand dollars (\$500,000) or more sitting there, waiting on a project that could be a long time coming. Thank you. Thank you, Chair.

Chair Furfaro: JoAnn, you have the floor.

Ms. Yukimura: What if we were to keep just half the amount in there? Does that make any difference in terms of the STIP funding?

Mr. Tabata: Yes. We need to keep the appropriate match for the intended estimate.

Ms. Yukimura: But if a narrower bridge will cost less money than a smaller match might also work?

Mr. Tabata: But we do not have that estimate. We are still, as I mentioned earlier, are in the design phase and there are certain other accessories to the bridge that might make it higher.

Ms. Yukimura: That might make it higher?

Mr. Tabata: Yes. We are at a point where we are not done with the designs so this as the original estimate. It will be adjusted. The thing with the STIP program is if we say that we can reduce, we will likely not see that money back, because they will take it and give it to another County or another project somewhere else. We go with the best estimate we can in the initial conceptual design of the project and as we move forward, we polish it and we make changes. You will see some additional funds required in other projects that have to do with the Federal funding and the STIP.

Chair Furfaro: Excuse me, Lyle. We need to stay on the subject matter. Gentlemen, if you do not know, I only have five (5) members tomorrow. That means that everything that you have in front of us has to get one hundred percent (100%) approval. Let us not go back through all the history and everything. Let us find out the principle pieces in each process and I think Lyle has told us that we need to put one hundred percent (100%) of our twenty percent (20%) in front and if not, we go to the back of the line. That is about what you told us, right?

Mr. Tabata: That is right.

Ms. Yukimura: Thank you.

Ms. Nakamura: Call for the question.

Chair Furfaro: Call for the question.

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Fountain-Tanigawa: Council Chair this is to remove funding for Kapahi Bridge Replacement.

The motion to remove funding for “Kapahi Bridge Replacement (County Match)” in the amount of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Yukimura	TOTAL – 2,
AGAINST APPROVAL: Bynum, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: The motion fails 5:2. Am I correct?

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: Next item, CIP.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: Go ahead, Mr. Rapozo.

Mr. Rapozo: I have – and I hate to open up the dialogue. It is kind of along the lines, although ‘Anini Bridge, we had the discussion during the budget session and they had appropriated four hundred thousand dollars (\$400,000) and I noticed that in the May 8<sup>th</sup> they upped that another one hundred thousand dollars (\$100,000) which would make this bridge replacement, if we are going along the lines of a Federal match, a two million five hundred thousand dollars (\$2,500,000) project for a very small bridge. I know I brought up the option of pursuing or at least researching a prefabricated bridge. The consultants said a bridge like that would be about five hundred thousand dollars (\$500,000). I do not necessarily agree with that. Now it is up to five hundred thousand dollars (\$500,000) in the CIP Bond Fund and I still think that is a lot of money for that small bridge out in ‘Anini. I do not know if I am prepared to make the motion to remove it, but I do believe that is a lot of money for that small bridge. I will just make the motion to remove. So that we can have the discussion.

Chair Furfaro: I need a second before I can recognize anybody.

Mr. Rapozo moved to remove the funding for the ‘Anini Bridge, seconded by Mr. Hooser.

Chair Furfaro: Thank you, Mr. Hooser. Lyle, you can have the floor.

Mr. Tabata: Council Chair, Councilmember Rapozo, after that discussion we went back and really looked at this closer. We have re-programmed this project to not use STIP funds and to do the project entirely in-house. We re-evaluated our

concerns and we have determined that we could do this project in-house for a lot less money and so this appropriation with the additional is not a match, but it is to do the project entirely with County funds only.

Chair Furfaro: The number goes down from five hundred thousand dollars (\$500,000), say we do it in-house for four hundred thousand dollars (\$400,000)?

Mr. Tabata: No. The original amount in was for two million dollars (\$2,000,000) and so that was the twenty percent (20%) match. Now that we are not needing our match but we need the entire amount to do the project with County funds, it is five hundred thousand dollars (\$500,000) total.

Chair Furfaro: It is five hundred thousand dollars (\$500,000), either it goes as a match to make the two million dollars (\$2,000,000) or it is ours and you use one hundred percent (100%) of it to improve the bridge?

Mr. Tabata: Exactly, one hundred percent (100%) County funds.

Mr. Rapozo: Thank you very much, Mr. Chair and thank you. I appreciate the consideration. With that, I will withdraw the motion to remove.

Mr. Rapozo withdrew his motion to remove funding for the 'Anini Bridge.  
Mr. Hooser withdrew his second.

Chair Furfaro: New items.

Ms. Yukimura: Why does being on STIP funding cost more at such a dramatic amount?

Mr. Dill: When we receive Federal Highways funds it comes with a lot more requirements attached that we have to go through than we do if we just do the project ourselves. For instance when you have Federal Highway funds, we have are required to go through the Federal 106 Process which has certain criteria, we have to hire consultants, etcetera. It simplifies the process and we are really hoping it will accelerate the process a lot so that we can get this project done a lot sooner.

Ms. Yukimura: Well, I commend you for your thoughtfulness on this issue, if we can do it for cheaper. But I wanted to know because I want to understand when we need to go for STIP and when we do not. Thank you.

Chair Furfaro: Larry, I do not want your financial answer here from your team. I want your engineering answer. Can this little bridge be deferred for one (1) year?

Mr. Dill: No. In our recent biannual inspection the need was critical.

Chair Furfaro: That is all I need. It is critical. Your motion was withdrawn. New items, we are entertaining new CIP items. JoAnn, you have the floor.

Ms. Yukimura: I want to remove forty-one thousand one hundred eighty dollars (\$41,180) from the Host Community Benefits because this is what was calculated based on the solid waste tipping fees increase and because the tipping fees increase did not pass, we do not even have those moneys to allocate, and we do not have the obligation either.

Chair Furfaro: Do I have a second on that motion?

Ms. Yukimura moved to remove funding for "Host Community Benefit" in the amount of forty-one thousand one hundred eighty dollars (\$41,180) due to Bill No. 2473 – Solid Waste Tipping Fees failing by a vote of 2:5, seconded by Mr. Hooser.

Chair Furfaro: Thank you. Discussion? Mr. Kagawa.

Mr. Kagawa: Yes. I will be not supporting this deletion and this is my reason. The Kekaha community was under the understanding that the mountain of *rubbish* would not be going any higher. We changed the terms of the game. We decided that we are just going to do it higher anyway because we cannot do the lateral and for that, I say we owe Kekaha this amount no matter what the tipping fee verdict was. Thank you.

Chair Furfaro: Further discussion? Mr. Rapozo.

Mr. Rapozo: Mr. Chair, thank you very much and I will agree with Mr. Kagawa. In fact as we go through the additions I am seriously considering adding more funds to that Host Community Benefits. I shared my concerns and we will have discussion on Wednesday as far as the Host Community Benefits. But regardless of my concerns right now, I believe as Mr. Kagawa stated that the decision to move forward with another vertical expansion is going to impact that community tremendously. I believe they should be compensated. I will not be supporting the removal. Thank you.

Chair Furfaro: Further discussion, JoAnn?

Ms. Yukimura: I agree and have worked really hard to move the solid waste process along, so we would not have to continue to depend on the landfill out at Kekaha and that is one of the underlying reasons I have been asking the Administration to address the management issue because I believe that is where the problem is. But if you want to stop or lessen the increase to Kekaha Landfill, then you want to increase the solid waste tipping fees because that causes people to look for other options. I mean that is one of the things that we should pass in order to lessen the impact on Kekaha.

Chair Furfaro: Further discussion? If not, call for the vote. Go ahead.

Mr. Bynum: I have a question. This reduces the additional amount that would have been there, if we pass the tipping fees?

Ms. Yukimura: Yes, it was calculated on fifty-eight cent (\$0.58) a ton.

Mr. Bynum: Was that our agreement in the last budget that that would be the calculation?

Ms. Yukimura: Pardon me.

Chair Furfaro: No. Here is how it went. If I can answer you, Mr. Bynum. There was a proposed increase in tipping fees and the percentage of the old schedule matched with that contribution. If it was nine percent (9%) of whatever raised what the estimate to raise would have added this forty thousand dollars (\$40,000). But the Bill to increase the fee did not pass. So, the question is should we leave that money knowing that the tipping fees did not increase or should we knowing that it did not pass, take it out?

Mr. Bynum: Then Mr. Furfaro, I thought there might be some people that were reconsidering the tipping fee vote? Do we know that is going to be on a future agenda?

Chair Furfaro: Well, it can be, if I get a letter that states for reconsideration. But I should have that letter pretty quick before the next time we meet. Go ahead, JoAnn.

Ms. Yukimura: This does not remove the Host Community Benefits. It will still be given per the tons that go into the landfill.

Chair Furfaro: At the current rate.

Ms. Yukimura: At the current rate. All it does is it removes the increase which did not pass. We really do not have it to give. The solid waste operations are heavily dependent on General Fund. If we do not have it from the increase in fees, we have to take from the General Fund and that means depriving a lot of other needs of the money. If we decide to reconsider and increase the tipping fees we can put that back, too. But right now we do not even have it to give as far as I am concerned. The existing tipping fees will – a portion of that will continue to accrue for the Host Community Benefits to Kekaha.

Chair Furfaro: What is in there now continues. The question is if it is rumored a reconsideration, then a portion of that should be reallocated to Kekaha. But I want to call for the vote right now.

The motion to remove funding for “Host Community Benefit” in the amount of forty-one thousand one hundred eighty dollars (\$41,180) due to Bill No. 2473 – Solid Waste Tipping Fees fail by a vote of 2:5 was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Nakamura, Yukimura	TOTAL – 3,
AGAINST APPROVAL: Hooser, Kagawa, Rapozo, Furfaro	TOTAL – 4,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: That is 3:4.

Mr. Bynum: Just to make sure I understand. We did not approve the tipping fees, but we did approve another increase to the Host Community Benefits even though we did not approve the fees?

Chair Furfaro: The Host Community Benefits are fixed at the current tipping fee, yes.

Mr. Bynum: Right.

Chair Furfaro: But I am saying if someone is reconsidering the tipping fees, there should be a reconsideration of the vote. That is what I am saying. The amount and the vote again?

Ms. Fountain-Tanigawa: The amount is forty-one thousand one hundred eighty dollars (\$41,180) and the vote was 3:4, which failed.

Chair Furfaro: Which failed. But I want to make sure that we all understand that my vote is also contingent for reconsideration of the tipping fees and that is when the subject will come up again. Next item, please. Mr. Hooser.

Mr. Hooser: Yes, Chair. I am proposing that we delete Pono Kai Seawall construction of one million five hundred thousand one hundred forty-one dollars (\$1,500,141). Also, a separate item but I am going to suggest the same thing to the Moana Kai Seawall construction which is one million six hundred thousand dollars (\$1,600,000). Overall, it is a three million dollars (\$3,000,000) plus, but we will do one at a time. The Pono Kai seawall and my hope is that we could reduce the Bond Fund CIP sufficient to reconsider the Kapahi Bridge, shifting it there, which would free up Highway Funds, which in essence frees up Operating General Funds because we all need more General Funds. That would be my end game so to speak and I probably should not have brought up the Kapahi until after we dealt with the Bond. But that is what my hope is, that we are able to do that. The Pono Kai Seawall, I was down there yesterday and walk that area frequently. Yes, there is erosion. But I do not know why we are spending public funds possibly to protect the footpath, the walking path. Other than that, there is plenty of green space and it is private property. It is one million five hundred thousand dollars (\$1,500,000) and I believe in the long run, actually the short run, hardening of the coastline is bad public policy and that we should not do that except when there is public resources that we have to defend or life and health type of thing. I also looked at the 'Aliomanu Seawall, 'Aliomanu Road, and I drove out there. That road accesses a number of homes so I could see how that is vital to emergency vehicles and ingress/egress. So, that is not on the list. But I see the Pono Kai Seawall as something that could be deleted. I will make a motion to that effect.

Mr. Hooser moved to remove the funding for "Pono Kai Seawall Construction" in the amount of one million five hundred thousand one hundred forty-one dollars (\$1,500,141), seconded by Mr. Rapozo.

Chair Furfaro: There is a motion and second. Are we dealing with both items in your motion?

Mr. Hooser: One at a time probably is better.

Chair Furfaro: I think that is best. I want to make sure we are clear.

Mr. Hooser: It is the Pono Kai Seawall for one million five hundred thousand one hundred forty-one dollars (\$1,500,141).



Chair Furfaro: Any further discussion? Mr. Bynum.

Mr. Bynum: I will try to be brief, but the Pono Kai Seawall since Hurricane Iniki history with the County, we have been back and forth whether we are going to replace/repair. I think there is a hold up at the Department of Health. I think we are currently on the repair side of that debate. I am going to support this, but for maybe a different reason. We did a Kapa'a Ocean Study of littoral cell that includes the Pono Kai Seawall and the Kapa'a Beach Park, that study has never been discussed at this Council that I am aware of and that study gives an option of doing beach nourishment and in essence the potential to create twenty (20) feet to fifty (50) feet of beach in front of the seawall and to retain that sand. I think it needs to be looked at in conjunction with the Po'ipū Beach study which I am waiting to get my hands on because it may not be necessary to do that Pono Kai Seawall. It has been in the current state for years and basically it needs maintenance. My personal view is that it does not need a security fence that has been up there. It just needs regular monitoring and filling of any kind of seepage that happens behind the wall. So, for those reasons, and I hope we find time in the next few months to follow-up on the other options that we have expended considerable County money on studying. So, yes.

Chair Furfaro: JoAnn.

Ms. Yukimura: I would like to know from Public Works if any of that money is already encumbered?

Chair Furfaro: Brevity, please.

There being no objections, the rules were suspended.

Mr. Dill: There are three (3) projects mentioned by Councilmember Hooser, 'Aliomanu road reconstruction, Pono Kai Seawall, and Moana Kai.

Chair Furfaro: Question right now is Pono Kai.

Mr. Dill: Pono Kai was one of the three (3) projects that taking a long time through permitting and it looks like they are going to come out of permitting by the end of this calendar year. We have been monitoring this project as Councilmember Bynum mentioned, monitoring it to take care of my maintenance to do to make sure it does not fall into the ocean. It is a basic problem with it is construction that it is always subject to erosion in that area and will be an ongoing problem. It is County property so it protects County property, including the path. We feel it would be a mistake to remove the funding from this project because it would be ready to go in Fiscal Year 2014. We kind of defunded it last year understanding the permitting challenges we were having and brought it forth again this year because we believe it is going to be ready to go this year.

Chair Furfaro: Any further questions? Larry, I want to say this project is almost five (5) years going and the fact of the matter is yes, the walkway is County property, but I am more concerned with the fact that if the erosion goes beyond the walkway we now find ourselves dealing with potential litigation issues with the condominium association for not taking action. I just want to say that. Nadine, you have the floor.

Ms. Nakamura: I just wanted to say that I had a conversation with Ruby Pap from Sea Grant because I had the same question about the hardening of this area. She felt that the seawall that working through the design issues with the Department of Health, but that it was needed in conjunction with beach nourishment. I do not know if that is part of this funding proposal.

Mr. Dill: There is no beach nourishment as part of this funding.

Ms. Nakamura: But her feedback very recently was that it was needed for that area.

Chair Furfaro: Ladies and gentlemen, I want to share with you, I scheduled the CIP one entire day when we did budgeting and now we are coming up with these kinds of questions. I just want to make sure that we do not run out of time. But we gave a whole day to our calendar to go over CIP. Mr. Bynum you have the floor.

Mr. Bynum: We went deep into this and history of the building of the seawall passed after Iniki with Federal Emergency Management Association (FEMA) funds. It really was not built correctly. It was an emergency procurement. So, we all know this history, but we can manage that. It was not in last year's budget and I just think it is important to look at the beach nourishment options because we have a critical need in Po'ipū. It is an economy of scales things. If we move to beach nourishment, it is better to do a lot all at once rather than to do a little bit here and there because of the kind of equipment you have to mobilize. I just think we should not spend money when we decide later that we decide to bury that seawall in sand. You build a brand new one and then burry it in sand and manage that coastline in a different model than seawalls with beach nourishment. That is where the world has moved and the State of Hawai'i is kind of behind that game on this. This is very common in Florida, the Gulf Coast, and California. They are moving away from seawalls. I am going to stick to my guns on this one.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: My purpose is twofold, because I do not support hardening the shoreline, but also to be able to shift those funds into the bond account and because we are still working on permits and you are hoping by the end of the year type of things, there are no matching funds or no requirement to hold these funds there in order to get matching funds. We could fund them at a later date or reduce funding because it is not likely you will spend the entire one million five hundred thousand dollars (\$1,500,000) during this coming fiscal year.

Mr. Dill: Well, when we encumber the funds we will need to have the entire amount because you do need them available as you spend them, you need them when you encumber them for the contract. We would need them all.

Mr. Hooser: But once the permits are secured, then we could theoretically fund them next fiscal year and let the project slip by six (6) months assuming that the permits were done when you said they were done.

Mr. Dill: I guess that is always an option to defer a project, but I do not recommend that in this case.

Mr. Hooser: Thank you.

Chair Furfaro: When you get the questions, rather than getting more dialogue, we do not recommend, it is urgent, give us those kinds of answers. I will say again, we had a whole day for this. Mr. Rapozo, you wanted the floor?

Mr. Rapozo: No, I am ready to vote.

Chair Furfaro: I am ready to vote, too. JoAnn, you had the floor once and I will give it to you again. But folks, we need to start moving.

Ms. Yukimura: In light of the concern about adding the beach replenishment, would you have objections to re-titling the project to Pono Kai Seawall solution to leave it flexible because I really think you should look at the total context it needs to be. Oceanit is the design consultant, right?

Mr. Dill: Yes, that is correct

Ms. Yukimura: Well, so I do not know if they have been asked. I am not feeling confident that there has been a big picture addressing of the issue which I believe and I will vote for to support construction. But I would like to give the flexibility in case things come up in the process that you could use it both for sand replenishment and construction or however. It will not limit you to not use it for construction. But I would just like to give more flexibility.

Mr. Dill: I suppose I would not object to that. To be perfectly upfront about everything, the amount in budget is based on our anticipated construction cost for the on construction drawings. It would take a major change in the scope.

Chair Furfaro: Which is not what we are doing now?

Mr. Dill: Right.

Chair Furfaro: We are not changing scope and adding money. We will add later if somebody finds the money, they can add.

Ms. Yukimura: I am not adding.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I just want to make sure we understand that. I do not think there is anybody here who is in favor of hardening things. The reality is that this problem has been in front of us for five (5) years. I myself have had to go to one of the association meetings. You have gone to the association meetings. I think there is also the secondary question, doing nothing might inject some legal response. I am going to call for the vote.

Ms. Fountain-Tanigawa: This is to remove funding in the amount of one million five hundred thousand one hundred forty-one dollars (\$1,500,141).

The motion to remove the funding for “Pono Kai Seawall Construction” in the amount of one million five hundred thousand one hundred forty-one dollars (\$1,500,141) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Rapozo	TOTAL – 4,
AGAINST APPROVAL: Nakamura, Yukimura, Furfaro	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 4:3.

Chair Furfaro: 4:3. The removal of the seawall repair passes. We have another one. Moana Kai. We had a motion a second on Moana Kai. The amounts?

Ms. Fountain-Tanigawa: We do not have a motion or a second.

Chair Furfaro: There is no motion?

Mr. Hooser moved to remove the funding for “Moana Kai Seawall Construction” in the amount of one million six hundred thousand dollars (\$1,600,000), seconded by Mr. Kagawa.

Chair Furfaro: Discussion? Any from the Engineering Department? Yes, Mr. Kagawa and then Mr. Bynum.

Mr. Bynum: My rationale for the last vote was because of the Kapa‘a Ocean Study. It does not cover this area. Moana Kai Seawall may eventually be going to need to be replaced. If we are ready to move ahead, I am going to support keeping the funding in the budget.

Chair Furfaro: Mr. Kagawa, you have the floor.

Mr. Kagawa: Moana Kai Seawall is similar to Pono Kai where we need to do it to protect the erosion and protect the safety of the bike path, I guess.

There being no objections, the rules were suspended.

Mr. Dill: Yes. I am sorry, the road right there as well, right along the seawall. I forget the name of the road, Moana Kai Road is right there at the bike path and so it also protects the road.

Mr. Kagawa: A little different in that not primarily the bike path, but the road as well.

Mr. Dill: Correct.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: I just wanted to say, that neither of these projects in my mind has anything to do with the bike path and that history at Pono Kai, the

ocean and Iniki almost took the buildings down. It is there to protect the assets that have been there. I will never support hardening a shoreline to protect the bike path.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I am going to call for the vote.

The motion to remove the funding for “Moana Kai Seawall Construction” in the amount of one million six hundred thousand dollars (\$1,600,000) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Rapozo	TOTAL – 3,
AGAINST APPROVAL: Bynum, Nakamura, Yukimura, Furfaro	TOTAL – 4,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 3:4.

Chair Furfaro: 3:4, the motion fails. Moana Kai stays. Mr. Dill.

There being no objections, the rules were suspended.

Mr. Dill: I am sorry Council Chair. I forgot that when I left the room and came back in to let you know the design cost for the Kapahi Bridges.

Chair Furfaro: I have not forgotten. I will come back to you later.

Mr. Dill: You want to come back to it later?

Chair Furfaro: Yes, I am going to come back to that. I am going to see if there are any new items. Going once, twice – JoAnn, to you?

Ms. Yukimura: I would like to the Northern Leg Kōloa Bypass (County Match) under the Highway Fund.

Ms. Yukimura moved to remove the funding for the “Northern Leg Kōloa Bypass (County Match)” in the amount of thirty-nine thousand nine hundred eighty-six dollars (\$39,986), seconded by Mr. Bynum.

There being no objections, the rules are suspended.

Chair Furfaro: Did you hear the proposal, Larry?

Mr. Dill: I am sorry.

Chair Furfaro: Your motion and second, would you restate it.

Ms. Yukimura: To remove the North Leg Kōloa Bypass Road (County Match).

Chair Furfaro: And the amount?

Ms. Yukimura: Thirty-nine thousand nine hundred eighty-six dollars (\$39,986) on page 5.

Mr. Dill: Mr. Chair and Councilmember Yukimura, as you can see we have already removed the majority of the funding in that line item. We have completed the Environmental Impact Study (EIS) and with the completion of the EIS we are now able to acquire the land from the landowner. Then we plan to put a hold on this project. But this money that is left in there is for the purpose of acquiring the land. I think it is important to retain those funds too.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I think so too especially since the Council voted to obtain those lands. Go ahead, JoAnn.

Ms. Yukimura: I agree that land – I wish all we had done is acquire the land and not done the EIS and all of that other stuff which I consider wasted money at this point. I withdraw my motion.

Ms. Yukimura withdrew her motion to remove the funding for the “Northern Leg Kōloa Bypass (County Match)” in the amount of thirty-nine thousand nine hundred eighty-six dollars (\$39,986). Mr. Bynum withdrew his second.

Chair Furfaro: Thank you, moving forward, Mr. Hooser you had another item?

Mr. Hooser: I was going to talk about reconsidering the Kapahi Bridge at the appropriate time.

Chair Furfaro: Well, we do not need to reconsider it because we did not take a vote. He just went to do some research for us. No, we did not vote on it. Am I correct? Yes, we did not vote on it.

Mr. Hooser: I thought we did.

Chair Furfaro: No, we took a break to let him research some information. Mr. Kagawa.

Mr. Kagawa: Mr. Chair, I think I recall there was a motion and a second though so if we can withdraw those.

Chair Furfaro: The motions are there, but we did not vote on the Kapahi Bridge until we got this information. Larry let us go to the information that you found for us, Kapahi Bridge.

There being no objections, the rules were suspended.

Mr. Dill: Kapahi Bridge the design contract amount is about four hundred twenty-nine thousand dollars (\$429,000).

Chair Furfaro: So we did vote? Hold on a second. We did vote and it failed. My apologies to everyone. I thought we were waiting for that information. But go ahead. Tell us what you found out.

Mr. Dill: The design contract for the Kapahi Bridge is about four hundred twenty-nine thousand dollars (\$429,000).

Chair Furfaro: Evidently that money stays then because the motion to remove it failed.

Mr. Dill: That is already encumbered under contract moving forward. That is a previous year appropriation and actually that is the whole contract amount. The County's match would be twenty percent (20%) of that, so eighty thousand dollars (\$80,000).

Chair Furfaro: It eighty thousand dollars (\$80,000) is our match for the design piece?

Mr. Dill: Correct.

Chair Furfaro: Now we can start a new discussion, Jade.  
Mr. Hooser, you have the floor.

Mr. Hooser: I believe the design was in 2013 budget and so the funds that we are discussing now in this budget are the match for the construction is that correct?

Mr. Dill: Actually the design was the prior year.

Mr. Hooser: The motion that was voted down was for the construction match. The design has already been funded out of a prior budget.

Chair Furfaro: Correction on that. There was thirty-nine thousand dollars (\$39,000) left over from the carryover, is that the design piece was left?

Mr. Dill: No.

Ms. Yukimura: We finished that. Thirty-nine thousand dollars (\$39,000) was the Po'ipū Bypass.

Ms. Fountain-Tanigawa: Council Chair, page 5 Highway Fund.

Chair Furfaro: Page 5.

Ms. Fountain-Tanigawa: Under the Highway Fund.

Chair Furfaro: Thirty-two thousand dollars (\$32,000).

Mr. Dill: Right

Chair Furfaro: Was left.

Mr. Dill: From the design portion, yes.

Chair Furfaro: That is left from the design?

Mr. Dill: Correct.

Chair Furfaro: That is not earmarked for the design?

Mr. Dill: Correct.

Chair Furfaro: That is left. Now we are correct. Thank you.  
Mr. Hooser, you have the floor.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Hooser: In the interest of time, I would like to make a motion to reconsider the decision removing the Kapahi Bridge money from the highway CIP fund, that is four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851). We voted against that motion. But I would like to ask for the reconsideration with the purpose of moving those funds into the Bond Fund and therefore freeing up Highway Funds and essentially general funds as well.

M. Yukimura: You mean moving the project.

Mr. Hooser: Yes, moving the project.

Chair Furfaro: Excuse me, procedurally. I do not think you were in the majority so you cannot make that motion.

Mr. Hooser: That is right.

Chair Furfaro: You have to encourage a Councilmember in the majority for the reconsideration.

Mr. Rapozo moved to reconsider the motion to remove funding for "Kapahi Bridge Replacement (County Match), seconded by Ms. Yukimura.

Chair Furfaro: Now we are copasetic. Motion and second to reconsider. I will give Mr. Hooser the floor.

Mr. Hooser: Mr. Chair, I think it is all about said. I think we discussed the bridge. This would not impact bridge construction whatsoever. It just shifts these funds into the Bond Fund. There is space there created from the sea wall money and I think, make better fiscal sense and allow us greater flexibilities in the General Operating Budget General Fund.

Chair Furfaro: Very good. The question shall be called for now.

The motion to reconsider the motion to remove funding for "Kapahi Bridge Replacement (County Match) was then put, and carried by the following vote:



FOR RECONSIDERATION: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura	TOTAL – 6,
AGAINST RECONSIDERATION: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Furfaro	TOTAL – 1.

Chair Furfaro: 7:0.

Ms. Yukimura: On the motion to reconsider.

Chair Furfaro: Now we will call for the vote.

Mr. Hooser: Now a motion to increase the CIP Bond funding by four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851) for the Kapahi Bridge replacement County match.

Mr. Hooser moved to remove the funding for “Kapahi Bridge Replacement (County Match)” in the amount of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851), seconded by Mr. Kagawa.

Chair Furfaro: Thank you, Mr. Kagawa.

Mr. Rapozo: I have a procedural question. His motion was to add which would require four (4) votes. So, I would suggest that the motion be amended to remove the money which would require four (4) votes and then when we get to the adds, you add to the Bond Fund.

Mr. Hooser: Motion to reconsider was not sufficient?

Chair Furfaro: No the motion to reconsider was sufficient, but we are now talking about adding an item.

Mr. Rapozo: My suggestion would be – your motion to remove it from the fund and then when we get to the adds you can make the motion and only because of the requirements of the votes.

Mr. Hooser: I understand. I would like to restate my motion to reflect the comments of Councilmember Rapozo.

Chair Furfaro: Very good.

Mr. Rapozo: Call for the question. I think we had more than enough discussion.

Chair Furfaro: Call for the question.

The motion to remove the funding for “Kapahi Bridge Replacement (County Match)” in the amount of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura	TOTAL – 6,
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AGAINST APPROVAL: None  
EXCUSED & NOT VOTING: None  
SILENT: Furfaro

TOTAL – 0,  
TOTAL – 0,  
TOTAL – 1.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you. Moving right along. Any additional CIP items? Going once, going twice. JoAnn.

Ms. Yukimura: I have a proposal that re-describes the Kīlauea Agriculture Park. But does not change the funding for it. Should I do that at a later time or should I do it now?

Chair Furfaro: If it does not challenge the funding, I would not do it now.

Ms. Yukimura: but there will be a time later?

Chair Furfaro: I mean we could certainly expand any narrative you want on Kīlauea Park.

Ms. Yukimura: It is actually amends the title.

Chair Furfaro: Amend the title, okay. Let us entertain it now.

Ms. Yukimura: I propose to amend the title from Kīlauea Agriculture Park-Design to Islandwide Agriculture Park System Planning and Design for two hundred thousand dollars (\$200,000) and then Islandwide Agriculture Park system construction for two hundred thirteen thousand four hundred seven dollars (\$213,407).

Ms. Yukimura moved to change the project title from “Kīlauea Agriculture Park-Design” to “Islandwide Agriculture Park System,” seconded by Mr. Hooser.

Chair Furfaro: We have a motion as such, stated. Would you state it one more time, JoAnn. We have a second from Mr. Hooser.

Ms. Yukimura: Actually I am breaking up the moneys. If that is permitted. Can I just explain the concept? Right now all of those moneys are designated for Kīlauea Agriculture Park, but the Office of Economic Development has told us there are major problems with the policy decisions about what kind of Agriculture Park it is going to be, the issues of birds, and water, and so forth. I would like to propose that we direct the Office of Economic Development instead to consider an Islandwide Agriculture Park System, three (3) lots of twenty-five (25) acres at Kīlauea Agriculture Park with no frills, two hundred (200) acres at Kalepa of State land, and some acreage on the West Side. A lot of this has to be developed, but the Office of Economic Development using a consultant or figuring out a way to do it and working with a Committee of Agriculture stakeholders would set polices about how we would lease our lands? How we would qualify farmers? How long it would be for whether houses would be included on the agriculture lot and if not, how to address agriculture theft issues? How they would establish water rates and amounts? Who would be a managing entity for it? But the goal would be an Islandwide Agriculture Park System for farmers.

Chair Furfaro:

Mr. Hooser and then Mr. Rapozo.

Mr. Hooser: Speaking in support, I am not sure if we need two (2) categories. But broadening the title to allow flexibility to address agriculture park issues Countywide, I think is a wise move. I actually prepared a motion to delete the funds and decided not to. But I like Councilmember Yukimura's suggestion in terms of broadening the description to allow the flexibility. Again, I do not know if we need two (2) categories or not.

Chair Furfaro: Actually I do want to say that we should only broaden the description for this purpose. I see splitting it and designating certain amounts as a new project and should not be part of this discussion. We should it keep it as one (1) item for the body. Mr. Rapozo you have the floor.

Mr. Rapozo: I agree, Mr. Chair, that would be reducing the fund and adding a new line. I will not supporting that. I can tell you the Kilauea Agriculture Park project has been around a long time. I am satisfied really. I am kind of disappointed that it has taken this long. I understand there are some issues. But I want to hear that from Economic Development. I want Economic Development to come up and say this is what we want to do. What Councilmember Yukimura just stated was she wanted done and it may not be in line with what the Administration wants and as I have learned over the years, many of our initiatives just do not get addressed because it is not in line. I agree that a lot these things need to be revisited. But I want it to happen with a discussion in the Administration and not basically telling the Administration what to do. I will not be supporting it. The Kilauea people have been waiting a long, long time. This agriculture park was part of a condition a long time ago and we have failed. This County has failed in not making that happen. But I do not think taking it away from Kilauea now is the solution. I think we need to work towards making it happen and that is my position on this. I will not be supporting the removal or the change. Thank you.

Chair Furfaro: Mr. Bynum, I want to make sure that you understand I am only supporting the title change. You have the floor.

Mr. Bynum: Yes, a commitment was made to Kilauea more than thirty (30) years ago, I believe at this point. The Baptiste Administration finally moved to acquire the land. But the last kind of update I have heard, there are serious problems with proceeding forward with what was intended thirty (30) years ago and the primary issue that nobody seems to want to just handle is that there is no agriculture water on this parcel. Why would the County with all the agriculture land that we have, that has intact water systems, why would we be putting an agriculture park where there is no agriculture water anymore? That is the fundamental problem I think and there are others. I am going to support re-programming this and encourage Economic Development and this Council to have a robust and straight forward, honest evaluation about whether the agriculture park in that particular spot in Kilauea makes sense given the current on the ground realities. Thank you.

Ms. Yukimura:

Mr. Chair?

Chair Furfaro: Yes, JoAnn? I was going to see if there was anybody else that wants to speak their first time. Anybody? No. You have the floor.

Ms. Yukimura: I first want to say in response to Councilmember Rapozo that my idea is not to abandon the Kīlauea Park, but I think it is got really clouded with all kind of things. Actually, I think just three (3) lots of twenty-five (25) acres each probably is a good thing. It does not have to be that. But bottom line is that I am not abandoning it. I want it to be part of the Islandwide Agriculture System and I think this idea of thinking through how we go leases and how we qualify farmers can be applied in Kīlauea as well as in other places. It is really including and expanding the idea beyond Kīlauea. I was the one who helped get the condition of zoning that required that agriculture park and I am committed to agriculture in Kīlauea. But I believe at the time that we did it, the irrigation system was still intact bringing the water down from *mauka* to the lot and things have changed. We have to adjust for those changes. I do not know all the solutions. I do not think we have to decide all of those solutions here at this table. But I want to expand the thinking about it and I do know that we need to provide land long-term tenure to our farmers in proper quantities for really good commercial production. I think this might be a way to inspire the whole thing. I am glad the amendment was made there. I want to informally amend my proposal or clarify anyway, that we are keeping the amount and just changing the title to Islandwide Agriculture Park System, that is what I want to change the title to.

Ms. Yukimura moved to amend her motion to change the project title from “Kīlauea Agriculture Park-Design” to “Islandwide Agriculture Park System,” seconded by Mr. Kagawa.

Ms. Yukimura: The second can agree to it. It gets taken out. But in fact I want the lands to be included in the Islandwide Agriculture Park System. But somebody has to figure out how to make that done.

Chair Furfaro: Yes, Mr. Hooser?

Mr. Hooser: I just want to be clear. My understanding this does not preclude or take away. These funds could still be used for the Kīlauea Agriculture Park? It just broadens the ability to implement?

Chair Furfaro: That is my understanding. Mr. Kagawa.

Mr. Kagawa: I just want to agree with everyone on opening the possibility to be used for more than Kīlauea. However, if they decide that they want to proceed with Kīlauea, they are still not precluded from doing so. I think it gives George more flexibility. I think it is a nice amendment. Thank you.

Ms. Yukimura: Can you please change the wording too as proposed? It is Islandwide Agricultural Park System.

Chair Furfaro: Mr. Costa, I am going to suspend the rules and I am going to ask you to come up. Can you give us your *mana'o* on this one before we vote? Let us not get into a long discussion.

There being no objections, the rules were suspended.

GEORGE K. COSTA, Director of Economic Development: Aloha Council Chair Furfaro and honorable Councilmembers. As an update, I think I believe I versed everyone. We did the Environmental Assessment. We have endangered bird species issues

to deal with and irrigation water issues to contend with. Right now, I am working with the Kilauea community on some other options that hopefully will cost less to develop the agriculture park and one of the options includes providing non-potable water for the property. I cannot go into any details right now, but just as an update. As far as changing the title, yes, that would give us flexibility and I think it is a good idea because there are other opportunities. Kalepa and some other locations around the island that have come up in last two (2) years. It does give us some flexibility. But do know that the Kilauea community is working on some other options that May cost less to develop the Kilauea Agriculture Park. Thank you.

Chair Furfaro: Thank you. We have a question from the Vice Chair for you.

Ms. Nakamura: To implement the intent of this, George, how do you envision moving forward on expending these funds?

Mr. Costa: What took place prior to me coming into my Office with Beth Tokioka, they looked at different models. The Maui Agriculture Park, which is I believe four hundred (400) acres, is a real good model. They have a selection process and they have a review process. I know when this came about, a lot of people in the Kilauea community thought that this was only going to be for them. But once it is public moneys, it is open to anybody. So, there will need to be a process to vet who is appropriate for that?

Ms. Nakamura: I guess my question is do you envision hiring a consultant to do this?

Mr. Costa: We would have to. Especially if we start looking at other sites. We are probably going to do other Environmental Assessments as well for the other sites.

Ms. Nakamura: It seems like there needs to be a lot of thought of how to set this up.

Mr. Costa: Right.

Ms. Nakamura: How you do a site selection and how you engage the community. It just seems very conceptual.

Chair Furfaro: Thank you, George.

Mr. Costa: Thank you.

There being no objections, the meeting was called back to order and proceeded as q follows:

Chair Furfaro: Let us do the roll call.

The motion to change the project title from "Kilauea Agriculture Park-Design" to "Islandwide Agricultural Park System") was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you. I think we are at a point that we are out of the woods on the CIP piece. But I would like to have you stay there while we call Amy back up. Hold on, I have hands going up. Do you have another item?

Mr. Kagawa: No, Mr. Chair I was just wondering on where we are going from here. Once we are done with the deletions, are we going to stick with CIP, finish the additions?

Chair Furfaro: We are almost finished with CIP on the deletions and then we will go to any additions.

Ms. Kagawa: Thank you, Mr. Chair. I think that would be a wise choice since we have everybody here.

Chair Furfaro: Everybody is following me on that? We are done with the deletions, but we would like to hear Amy, your comments on the earlier discussion.

There being no objections, the rules were suspended.

Ms. Esaki: The question was as far as the Lihu'e Bypass and deletion of the one hundred thousand dollars (\$100,000) for the next fiscal year and whether that was appropriate or not. When we looked at the budget and I compared it to the Adolescent Treatment Center that occurred last year. If we look at that, what I am hearing is that Public Works intends to encumber the funds by the end of this fiscal year. If they do that, then there is no one hundred thousand dollars (\$100,000) balance in the CIP. Therefore, a reduction by the Council of one hundred thousand dollars (\$100,000) would put this Capital Improvement Project budget as an unbalanced budget. When we compare it with last year, as far as the Adolescent Treatment Center, the five hundred thousand dollars (\$500,000) that was appropriated for the Adolescent Treatment Center in the prior fiscal year which was 2011-2012 was actually encumbered by the Administration prior to the end of that fiscal year. During the budget process for 2012-2013, five hundred thousand dollars (\$500,000) was deleted. Therefore there was an unfunded Capital Improvement Project budget by five hundred thousand dollars (\$500,000). On July, 25, 2012 a Money Bill was introduced to rectify that by adding another five hundred thousand dollars (\$500,000). Therefore, doing what was intended here would not work for today.

Chair Furfaro: Mr. Bynum, you have the floor.

Mr. Bynum: Amy, thank you for coming. That is my memory of what happened too and I will ask the County Attorney to look about whether encumbering those funds last year, when the Administration knew they were not in the subsequent year's budget was a violation of the Charter, because they took actions to put us in a position that our Charter does not allow. This year, I mean, it is like Councilmember

Rapozo said, it is irresponsible if we take the funds out. Well, we make the fiscal policy calls here. They gave us a budget with those funds in them. They had a re-submittal opportunity in May and they did not remove those funds in which case would not be an issue, but it is. I just find this process highly inappropriate.

Chair Furfaro: You will send it over as a future question?

Mr. Bynum: I will, absolutely.

Chair Furfaro: That will be coming over as a future question. I want to stay on the subject matter with us right now. Mr. Kagawa.

Ms. Esaki: That is fine. Thank you.

Chair Furfaro: Mr. Kagawa.

Mr. Kagawa: Amy, I want to thank Jade for showing me and explaining to me. It is my first year back after being gone a while from this Office. Your understanding is we are not proposing one hundred thousand dollars (\$100,000), it is basically a carryover and deleting the one hundred thousand dollars (\$100,000) would put us out of balance by \$ one hundred thousand dollars (\$100,000) and it would be irresponsible to touch something from the prior year that is legally being covered by Public Works?

Ms. Esaki: That correct. It is a carryover from last year's budget.

Mr. Kagawa: In response to that, the County Attorney represents us, as well as the Administration and we have to listen to the recommendation. Let us do the right thing and please let us add the one hundred thousand dollars (\$100,000) back. It was a good proposed cut, but now after seeing that it is not something proposed again, I think we should do that right thing, members. Thank you.

Chair Furfaro: I want to get to a vote here, I want to get to the adds. Mr. Bynum, your second time.

Mr. Bynum: I just want to clarify. Are you recommending that we leave the money in?

Ms. Esaki: I believe the money is a carryover from last year so it stays in.

Mr. Bynum: It is not a carryover until we approve it, is it?

Ms. Esaki: No. It is a carryover because it was approved last year and it is just moving into this year until it gets expended.

Mr. Bynum: Are you recommending that we not cut the funds?

Ms. Esaki: Yes.

Mr. Bynum: Are you saying what Ross said, we would be acting irresponsibly.

Ms. Esaki: Yes, because you would have to introduce a Money Bill like was done last year.

Mr. Bynum: In my view Amy, if the Administration expended funds they know we have cut over the future budget, they are acting inappropriately. They came up here and threatened us today, right, and last July we had no option. But the action that put us in an unbalanced position was the Administration's, not the Council's and we are going to recreate that now. Right now as I said any single CIP that is a carryover, the Administration could do this, right?

Chair Furfaro: Your comments are heard.

Ms. Nakamura: Call for the question.

Chair Furfaro: And we are going to call for the question.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Rapozo: I need to withdraw my motion, Mr. Chair because my motion was to remove. Let me just withdraw my motion.

Mr. Rapozo withdrew his motion to remove the funding for the "Līhu'e Bypass Feasibility Study (County Match)" in the amount of one hundred thousand dollars (\$100,000). Mr. Bynum removed his second.

Mr. Rapozo: Right now for clarification, right now as we sit today, the money is back in the CIP.

Chair Furfaro: Yes.

Mr. Rapozo: Thank you.

Chair Furfaro: Maybe we should vote on that, take a new motion. How is that Tim?

Mr. Rapozo: It is there.

Mr. Kagawa: It is as a cut right now.

Mr. Rapozo: Well, that should have gone when we did the motion to reconsider.

Chair Furfaro: There is no vote?

Ms. Fountain-Tanigawa: A vote is needed if you wanted to keep it in.



Chair Furfaro: If one of us talks at a time, we can get to an understanding of who is saying what. There is no need for this vote. I will entertain a second motion now. Mr. Bynum, you have the floor.

Mr. Bynum moved to remove the funding for the "Līhu'e Bypass Feasibility Study (County Match)" in the amount of one hundred thousand dollars (\$100,000), second by Mr. Hooser.

Chair Furfaro: There is a motion and second. I am just going to call for the vote. We have talked this one out.

Ms. Fountain-Tanigawa: This is to remove the funding.

The motion to remove the funding for the "Līhu'e Bypass Feasibility Study (County Match)" in the amount of one hundred thousand dollars (\$100,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser	TOTAL – 2,
AGAINST APPROVAL: Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 5,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 2:5, fails.

Chair Furfaro: Motion fails, 2:5. We are going to move to a new item, new CIP delete. We are still on deletes. Go ahead.

Mr. Hooser: This is suggestion that we remove Highway Fund which would give us the option of adding it into the Bond Fund since there is space in the Bond Fund, one hundred thirty-two six hundred thirty-four thousand dollars (\$132,634) that is designated for the fuel tanks in Kapa'a Baseyard. This is not discussion about the value of the fuel tanks. It is a discussion about in my opinion where the funds should come from and this would also free up Highway Funds and General Fund to the tune of one hundred thirty-two six hundred thirty-four thousand dollars (\$132,634) if it was re-added to the Bond Fund. So, that is my suggestion.

Mr. Hooser moved to remove the funding for "Fuel Tanks Kapa'a Baseyard" in the amount of one hundred thirty-two six hundred thirty-four thousand dollars (\$132,634), seconded by Mr. Kagawa.

Chair Furfaro: There is a motion on the floor to move the fuel tank moneys from the General Fund contribution to the bond amount. Any further discussion? If not I am going to call for the vote.

The motion to remove the funding for "Fuel Tanks Kapa'a Baseyard" in the amount of one hundred thirty-two six hundred thirty-four thousand dollars (\$132,634) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura	TOTAL – 6,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Furfaro	TOTAL – 1.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Seven (7) ayes. Any more on reductions in CIP? So we can move on? Reductions in CIP is finished. Now I would like us to look at additions in CIP. We will start there since it is fresh on our memory. Go ahead, Mr. Kagawa.

Mr. Kagawa: Thank you. I have sent a personal request previously to Lenny and this is regarding a new comfort station at Kato Field, Kato Baseball Field which is very close in proximity to the martial arts building. Currently we have two (2) portables there. The seniors Pat Baniaga and his senior softball team uses it every day for practice and we also use that for little league. Pat Baniaga is also the West Kaua'i President for Little League baseball. He said that when the martial arts users are using the facility, there is a bathroom that is open. However, if the martial arts users are not using it, they are advised to lock the bathrooms. I think we have portables there. We know that there is a need for restrooms, especially for seniors and persons with disabilities. It makes it difficult for them to go all way to the tennis court pavilions, it is quite far. If the neighborhood center is closed also, it is also a far journey. I think we have portables there, we know there is a need there, and I want to proceed with some plans and design money. I believe it is in the amount of fifty thousand dollars (\$50,000) and it would not be taking out of anything. I do not need a cut to add that. It would be transferred from the 402 account I believe which is the West Side account and moving it to earmark as Kato Field comfort station item. The number is thirty-eight thousand seven hundred ninety-six dollars (\$38,796) and basically it just earmarks it for that. I know that there are some issues and that is why we have plan and design money. We do not want to put the whole amount and tie up moneys that are going to go to something that is not be realistically done. There is an issue with the septic system. I guess the sewer line is on the main road side where the main traffic goes into Hanapēpē Stadium and we may need a septic system that may throw another wrench into the project. But least let us look at it. Like I said, it would be better than using port-a-potties for the facility. Members if you could please support this request. I think a lot of people would benefit. As you know we have large, huge tournaments there every year. The softball tournaments are huge and I think it is hard for people with disabilities to go into the blue port-a-potties and it is much easier and much safer to have the regular Americans with Disabilities Act (ADA) stalls. Thank you.

Chair Furfaro: What I would like to do is I would like to actually see if I can get a second on the item.

Mr. Kagawa moved to transfer twenty-six thousand one hundred forty-nine dollars (\$26,149) from the Project Contingency and twenty-three thousand eight hundred fifty-one dollars (\$23,851) from the "Park Improvement Waimea District" Fund to fund "Hanapēpē Stadium Kato Park ADA Comfort Station (Planning and Design)" in the amount of fifty thousand dollars (\$50,000), seconded by Ms. Yukimura.

Chair Furfaro: Now I would like to take a break because now we are in the "adds" and I cannot see the screen. So, if you folks would not find, I would like to take a short ten (10) minute break if you do not mind.

Ms. Yukimura: We need caption break right?

Chair Furfaro: We are going to take a ten (10) minute recess and we will keep it to ten (10) minutes.

There being no objections, the Committee recessed at 11:38 a.m.

There being no objections, the Committee reconvened at 11:49 a.m., and proceeded as follows:

Chair Furfaro: Mr. Kagawa, we had a motion and second on your add, you have the floor.

Mr. Kagawa: Thank you, Mr. Chair I would like to clarify the motion, so that the staff and everyone has it clear. We were talking about Kato Baseball Park at Hanapēpē Stadium adjacent to the martial arts building. I moved that we move twenty-six thousand one hundred forty-nine dollars (\$26,149) from the project contingency and we add twenty-three thousand eight hundred fifty-one dollars (\$23,851) from the 402 fund balance for the Waimea district. This will go into a new line item for the plans and design of a new comfort station next to Kato Baseball Field. Thank you.

Chair Furfaro: Clarification for myself. Scott, we are moving money from the Contingency Fund that is thirty-eight thousand seven hundred ninety-six dollars (\$38,796), part of it is coming from that contingency?

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: So that is the contingency in the 402 account, not the CIP account. That was the correction. Understood now. Further discussion? Further discussion on this item? If not, we have a second. Okay vote, please, roll call.

The motion to transfer twenty-six thousand one hundred forty-nine dollars (\$26,149) from the Project Contingency and twenty-three thousand eight hundred fifty-one dollars (\$23,851) from the "Park Improvement Waimea District" Fund to fund "Hanapēpē Stadium Kato Park ADA Comfort Station (Planning and Design)" in the amount of fifty thousand dollars (\$50,000) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Nakamura, Rapozo, Yukimura,	
Furfaro	TOTAL – 6,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Bynum	TOTAL – 1.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you very much. We are in CIP adds.  
Mr. Hooser.

Mr. Hooser: Yes, Chair. Even though I am no fan of the Kapahi Bridge, when we removed the funds it was with the commitment of putting them back in the CIP Bond Fund. I would like to move that we move the Kapahi Bridge replacement County Match of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851) into the CIP Bond Fund.

Mr. Hooser moved to add funding for “Kapahi Bridge Replacements (County Match)” in the amount of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851), seconded by Mr. Kagawa.

Chair Furfaro: Just so everyone is clear, we have approximately one million five hundred thousand one hundred forty-one dollars (\$1,500,141) in the Bond Fund now and what was the number again?

Mr. Hooser: Four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851)

Chair Furfaro: Very good. A motion and second, putting the Kapahi Bridge back in. Further discussion, if not call for the vote.

The motion to add funding for “Kapahi Bridge Replacements (County Match)” in the amount of four hundred thirty-two thousand eight hundred fifty-one dollars (\$432,851) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Very good. Additional adds? JoAnn, we are taking one at a time and give everybody a chance. JoAnn.

Ms. Yukimura: I would like to propose in the Highway Fund CIP two hundred fifty thousand dollars (\$250,000) for North Shore and Po‘ipū transportation corridor studies.

Chair Furfaro: We need a second before I summarize that.

Ms. Yukimura moved to add funding for “North Shore & Po‘ipū Transit Corridor Studies” in the amount of two hundred fifty thousand dollars (\$250,000), seconded by Mr. Bynum.

Chair Furfaro: Thank you, Mr. Bynum. Everyone knows in the CIP Highway Fund we have credits totaling five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) now. The motion is to add to that fund two hundred fifty thousand dollars (\$250,000). Mr. Hooser, you have the floor.

Mr. Hooser: Yes, I would suggest that we consider putting this in the Bond Fund and therefore we can use the Highway Funds for operating expenses both as Operating Funds and/or Highway Funds. We would have a lot more flexibility and we have room in the CIP Bond Fund for these types of projects that have been proposed.

Chair Furfaro: Before we go any further, Steve, do you see any reason that that money would not qualify to go in the Bond Fund? Remember to go into the bond fund an item need to be pretty much a hard asset or it needs to meet another criteria.

There being no objections, the rules were suspended.

Mr. Hunt: As long as it is identified as leading to a Capital Improvement, it should qualify.

Chair Furfaro: Could you expand on that, JoAnn? Where do you see that leading to a CIP item that actually turns out ending up with an asset?

Ms. Yukimura: These are basically planning and design studies towards a transit circulator.

Chair Furfaro: Understood. But it has to end up in a baseyard.

Ms. Yukimura: No, that is not for a base yard. Although long-term we will need baseyard. No, these are towards a shuttle system or transportation corridor.

Mr. Hunt: So long as the scope of work identifies some potential Capital Improvements that the County would participate in, it should be eligible.

Ms. Yukimura: I do not know for a fact.

Chair Furfaro: You do not know for a fact? Why do not just say it will not?

Ms. Nakamura: Here is a thought, if there is a North Shore shuttle, there will be a need for bus stops, shelters, and probably a location somewhere on the North Shore whether it is a park-and-ride or some facility where the terminus, the beginning of the shuttle system.

Ms. Yukimura: Chair, may I respond?

Chair Furfaro: Go right ahead.

Ms. Yukimura: There is going to be issues whether it is a public/private partnership or whether it is going to be a County function. We do not know yet. I think if we are talking about a baseyard we should label it as such. I am taking my cues from the Transportation Agency which is going to bring us a plan for needed funding for base yards. I think it is safer to keep it in the Highways as a planning study. I can make a separate motion for base yard except that we need to have a planner that works on that first.

Chair Furfaro: The answer, Steve, she will probably stay with the Highway Fund for that amount. I do not feel comfortable in the business world saying that it can go to the CIP Bond Fund. Mr. Bynum.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Bynum: JoAnn is trying to argue against her own proposal here.

Ms. Yukimura: No, I am trying to be honest.

Mr. Bynum: Well, if we do a transit study, it is going to end up in some CIP. The rule is not that it be all CIP. But that will likely lead to CIP and it likely will lead to CIP. I may not support this proposal in the Highway Fund. But I will support it in the General Fund.

Ms. Yukimura: In the Bond Fund.

Mr. Bynum: In the Bond Fund, right. I think there is enough latitude and this is something that I have looked into and discussed with Steve and eventually I will discuss it with Keith. There is no reason, even if it led to a stop sign, it could potentially meet criteria. But it will more likely lead to some substantial infrastructure.

Chair Furfaro: I want to clarify that. I do not think it ended up with a stop sign it would qualify for, JoAnn. You have to be a little bit more than that. We have beaten that up a bit and now I want you to restate your motion for two hundred fifty thousand dollars (\$250,000) for the staff, JoAnn?

Ms. Yukimura: Yes.

Chair Furfaro: Do you have that staff, two hundred fifty thousand dollars (\$250,000)? Right now, it looks like it is coming out of Highway Fund that has five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) in it. Mr. Hooser.

Mr. Hooser: Yes even though I support the principle, I am not able to support taking the money out of Highway Fund because it is a pool of funds that could be reconfigured, if you would, into general operating funds and used to fund Meals On Wheels, Humane Society, other what I consider vital public services which I would rather fund first out of these funds and do planning and that type of thing out of Bond Fund.

Chair Furfaro: I would concur with you. The Meals on Wheels could be reinstated with the highway money. We could also find ourselves in a situation of looking at Humane Society, also, Young Women's Christian Association (YWCA), things like that. JoAnn, unless I have some narrative that clarifies the two hundred fifty thousand dollars (\$250,000), that could go into Bond Fund because there would be an end product that would be an asset.

Ms. Yukimura: Well, I mean there are possibilities that even the purchase of bus is considered capital equipment, right?

There being no objections, the rules were suspended.

Mr. Hunt: It would be a capital asset for us if it is a long-term asset.

Ms. Yukimura: I agree we should move it to the Bond Fund and appreciate all the help in doing that. I will go for two hundred thousand dollars (\$200,000) instead. If I can withdraw my first motion and have the second withdraw also, Tim?

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Bynum: Yes.

Ms. Yukimura withdrew her motion to add funding for “North Shore & Po‘ipū Transit Corridor Studies” in the amount of two hundred fifty thousand dollars (\$250,000). Mr. Bynum withdrew his second.

Chair Furfaro: Please restate.

Ms. Yukimura moved to add funding for “North Shore & Po‘ipū Transit Corridor Studies” in the amount of two hundred thousand dollars (\$200,000), seconded by Mr. Bynum.

Chair Furfaro: We have a second. Staff, did you get that? The number is two hundred thousand dollars (\$200,000). I will call for the vote here.

Mr. Rapozo: I have a question.

Chair Furfaro: Go ahead, Mr. Rapozo.

Mr. Rapozo: I do not know who at the Administration is here and able to answer that. But is that something that the Administration is going to press forward on? I am not going to approve funds if the Administration is not going to move forward on it.

Ms. Yukimura: Mr. Chair? I want to explain.

Mr. Rapozo: I want to hear from the Administration.

Chair Furfaro: Wait a minute. Mr. Rapozo has the floor and Mr. Rapozo has a question posed to the Administration. Can you reply?

There being no objections, the rules were suspended.

Mr. Hunt: I would have to check with Celia Mahikoa in terms of what her plans are for that because that would fall under the auspice of Transportation.

Mr. Rapozo: I would assume tough that Celia is not going to make that decision by herself and the Mayor or someone. The thing is that I do not want go through the process of the Council dumping all these moneys into the Bond Funds and so forth and the Administration has no intention going forward. I am not going to do that again like we did last year. I am not going to do it and we just need some assurance from the Administration that, in fact, they are going to move forward because whether it is for a bridge or a study, again, it is money. It is available funds.

Mr. Hunt: To the extent that the request is coming from the Council at this point, I guess I would ask for guidance as to what, in fact, you are looking for in that study in terms of both the scope of the work and what potential capital improvements that you might want to see out of that study. Without that direction, this is

again something new coming up and I am not prepared to address that until we hear your intention as well.

Chair Furfaro: Give the Administration one of these sheets passed out to the Council, please.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Rapozo: Like Mr. Kagawa proposed a restroom facility, he communicated with the Parks Director and it is something that can move forward. I do not have a problem with that. But if it is just something that I want you to do and you folks are not going to do it, then I do not think we should fund it. That is my position, Mr. Chair and unless I hear reflect Administration that that is something that they will pursue, I will not support it. Thank you.

Ms. Yukimura: Mr. Chair?

Chair Furfaro: Yes, and I will recognize you in a minute. Members, I would say if we are going to add items make sure that you have your pros and cons lined up in the suggestion because it is not going to be considered your item. It is going to be seen as the item of the body because you are able to get four (4) votes for it. So JoAnn, you have the floor.

Mr. Rapozo: Five (5) votes.

Chair Furfaro: I am sorry, five (5) votes for an add. Thank you for the correction.

Ms. Yukimura: Yes, Mr. Chair.

Chair Furfaro: You have the floor.

Ms. Yukimura: First of all, this money incorporates the money we removed from the Office of Economic Development's budget for a North Shore shuttle system/transit system and adds in what is a follow-up of the Po'ipū parking work shop and that report is actually coming on the agenda on this week's meeting. We know that in Po'ipū the recommendation is two hundred fifty thousand dollar (\$250,000). I think in George's case it was seventy something thousand dollars. But we are putting it together into a two hundred thousand dollars (\$200,000) package assuming that we find matches for both sides. But that there will be some economies of scale, if you will, in planning for both. The intention was to put it into the CIP budget and make it an issue for the Transportation Coordinating Committee which is the Committee that is responsible for implementing the Multi-Modal Land Transportation Plan. The shuttle ideas are both anticipated in the plan. That is the part of expanding services and addressing issues, like the parking problem at Kē'e and the parking problem along Po'ipū Road. Just this week we are doing that Po'ipū Road charette, but that is just about the physical development of the road which will include stops for a shuttle system. But the whole planning for a shuttle system is very complex. Especially because there are issues about who would be the operator and how you work with the Po'ipū area and how you work with the North Shore area in the case if the North Shore shuttle? It is following you on our plans that are in place. It is responding to



urgent needs that are coming to us from Po'ipū and the North Shore, Kē'e Beach but elsewhere as well. It is an effort to get ahead of the curve and work on the issue.

Chair Furfaro: I am going to call for the vote on that item now.

Mr. Rapozo: Mr. Chair, I still have not heard from the Administration. I heard from JoAnn twice. I just wanted to hear. If they do not have a response, that is fine as well. I do not expect them to because a lot of these things are being sprung up today.

There being no objections, the rules were suspended.

Mr. Heu: When we were having the discussion, I guess it was last week about the specific dollars that were imbedded into the OED budget for the North Shore Shuttle Transit Plan, I think one reason why we did not necessarily object to the removal of those funds at that point in time was because there was some new information presented to us relative to the ongoing Hā'ena Master Plan that the State is spearheading. We thought it was reasonable to take a time out until we better understood what was going on there and to how there could be a collaborative effort to implement a transit system, a shuttle on the North Shore. Relative to what is happening in Po'ipū, I mean, we really have not heard a report out of what is going on down there yet from our folks who have participated. I think it was part of the Mayor's plan to support a South Shore shuttle system and it sounds like some of what may come out of this past weekend's work will again go into that. I do not know, I believe that collectively, we need to have a better understanding and my thought would be before we set aside the money, perhaps we should again collectively have that better understanding of where we should be headed and at that point in time maybe support a Money Bill having a better understanding of the needs and the requirements and then handle the expenditure that way. That would be our input.

Mr. Rapozo: Thank you Gary for that candid input. I agree that in these times we should not be putting money in areas that we are not ready to go, until you folks call it shovel ready and I appreciate the answer. I will not be supporting it.

Mr. Heu: That does not speak to our commitment. I think, like I said, the Mayor identified that as an area of interest and an area of need. We are still committed to seeing something happen down there. I just do not know at this moment if we are ready to say yes, let us commit that money and not really have a clear understanding where we might be heading. Thank you.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I am going to call for the vote, please.

The motion to add funding for "North Shore & Po'ipū Transit Corridor Studies" in the amount of two hundred thousand dollars (\$200,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Nakamura, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Kagawa, Rapozo	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,

SILENT: None

TOTAL – 0.

Chair Furfaro: That gives us five (5) votes for an add. I want JoAnn to remember this has to lead us to the right place.

Ms. Yukimura: I will thank you.

Chair Furfaro: We are still on rough numbers. We have eighty hundred sixty-seven thousand dollars (\$867,000) in bond. We have five hundred sixty-five thousand dollars (\$565,000) in CIP General. Mr. Hooser, I have to say, I might want to go to you next because Bynum, I am going down the line for additions. But if you can bear with me, Mr. Kagawa has had a turn, you have had a turn, and JoAnn has had a turn. Mr. Bynum, you have a turn for an add.

Mr. Bynum: (inaudible) These funds could give the Administration flexibility in terms of funding these projects that they are bringing over Michael, Lyle, Dan Burden, and you have this great Building Environment Task Force. They are cooperating with Planning and they are coming up with these projects pretty rapidly. Some of them are not that cost expensive but I think it is a critical issue that we address traffic mitigation and safety. I think this would give them a lot of flexibility to do that.

Mr. Bynum moved to appropriate four hundred nineteen thousand six hundred fifty-six dollars (\$419,656) for Islandwide Traffic Mitigation projects, seconded by Ms. Yukimura.

Chair Furfaro: We have a motion and a second now. Further discussion? Mr. Kagawa.

Mr. Kagawa: Yes. I really like the idea, the concept. But I am kind of troubled by the current problems that face us and to put Public Works on a new task would maybe distract from some of these things that we need to really take care of, such as the bridges. We heard of how many bridge repairs that was listed as current repairs. Current means that it needs to be done soon and just a lot of other issues out there. I think if we can kind of get back and I feel like with Larry and his staff, they are trying to move in the right direction. But just adding on to their list of to do list is not going to really be helpful. I will not be supporting it.

Chair Furfaro: JoAnn.

Ms. Yukimura: I would like to ask the maker of the motion to explain how the projects would be selected.

Mr. Bynum: If we put it in this form, they would be selected by the Administration. I mean, I would hope that they would look at resurrecting the Pouli Road Project which probably needs a couple hundred thousand dollars for design. I think that is the stage it was at. But I have really been impressed by how much Public Works has embraced these ideas and continues to meet with National consultants who know how to do a lot for not a whole lot of money in terms of improving traffic safety and flows. This would give them flexibility and I assume they would use some on current projects that they are currently working on. We should ask them if they are open to this kind of funding because I think they have shown that kind of flexibility over the last couple of years.

Chair Furfaro: I do not know if I am ready to recognize you Larry. I want to see if there is any discussion further from the members that might let you respond more broadly. Members questions at the table? JoAnn, you still have the floor.

Ms. Yukimura: I want to make sure that the title which is Islandwide Traffic Mitigation Projects sufficiently defines what you have in mind so there is a meeting of the minds in terms of what is to be done. For example, does it include walking paths and Safe Routes to School and those issues, too or not? Well, if it does, then traffic mitigation may not be sufficiently descriptive.

Chair Furfaro: You want to respond to her?

Mr. Bynum: Yes, may I? Of course those kinds of pedestrian projects will be because we know that giving people those pedestrian and bike options mitigates traffic. I mean if you wanted to make it a little more flexible, it could be Traffic Mitigation/Safety Projects because there may be projects that really are more focused on safety than actually mitigating projects. But traffic safety and moving people around whether they are in cars or on foot is something that is important to us

Chair Furfaro: Mr. Hooser.

Mr. Hooser: Yes. I think there is no question that the worst traffic in our County is on the East Side in the Kawaihau district along that corridor. I personally would prefer targeted funding towards targeted improvements. I am hoping that Public Works would have projects. I know that the North end of Kapa'a Town there is an intersection there that feeds that little temporary bypass that goes that needs expanded, there is Pouli Road, and there are other tangible transportation projects that have been discussed and talked about and I think planned over the last few years. I would prefer to hear from Public Works to see if there are specific, tangible projects that we can identify so it is not quite so broad. I would like at the end of the day to see traffic alleviated in the East Side. Thank you.

Chair Furfaro: I am going suspend the rules for a moment, Larry, and I am going to ask you a question because Pouli Road whether you know it or not, was my pet project when I was first on the Council. It cut off traffic in Kapa'a that came down through Wailua. They come in the back of the Foodland, they could shop, and it was another item that supported building the connector bridge to Safeway. I have no idea what happened to that project. Could you tell me why we would not connect our backside of our shopping district in Kapa'a so that traffic would go not into Kapa'a Town, you go to the bypass which would free up? Those are the kind of tangible items I think Mr. Hooser is talking about and Mr. Bynum has talked about. If we are going to have any money to resurrect that study, for me, it would be for that and it could be a bond item because it would end up in a new road. What happened to that?

There being no objections, the rules were suspended.

Mr. Dill: As the project pre-dated my time at the County, I am not familiar with the history or scope for that project. But I could concur that the proposal may have some merit. In terms of and in the context of this discussion, I think something like that would be a significant enough project to identify on its own merits as opposed to being part of a line item like this. A line item like this and I think as was brought up.

Chair Furfaro: I want to qualify something. The reasons Mr. Hooser and I are asking those questions about a more tangible piece because this is a general study. But I think we are saying that there will be more tangible pieces to the traffic solution and we are asking you that question so I know where I am going to vote on this blanket piece of mitigation versus getting Pouli Road resurrected.

Mr. Dill: Council Chair, I guess I am not prepared to sit here, having it bounced off me right now to be able to weigh that against the merits of other projects.

Chair Furfaro: You cannot tell us what happened to Pouli Road?

Mr. Dill: No.

Chair Furfaro: You do not know because it crossed wetlands or something that it was nixed?

Mr. Dill: One thing we do know apparently it was a State project. I do not know why the State abandoned that project. I do not know.

Mr. Hooser: Follow-up, Chair.

Chair Furfaro: Go ahead.

Mr. Hooser: Are there specific mitigation plans or projects that the County could move forward with to alleviate traffic in that corridor if the funds were available?

Mr. Dill: Along the Kūhiō Highway corridor?

Mr. Hooser: Yes, and the feeder routes. I mentioned the North end of Kūhiō Highway where you turn left to go onto the other temporary bypass. It is one way right now. There were four (4) or five (5) different options discussed at various points, that is one (1). Is there anything on the table, that if you had the money you could push forward or is it starting from scratch?

Mr. Dill: It would be in that area, as far as I know, starting from scratch. We would have to look into the Land Transportation Plan but that is a plan that is currently being updated to see the proposals in that area.

Mr. Hooser: There is nothing tangible that could move forward right now if you had the money?

Mr. Dill: Well, one thing I would like to point out as was discussed here is the Kōloa-Po'ipū-Kalaheo design charrette that happened and is continuing today, brought out proposals for a number of smaller projects that could be low hanging fruits. Those projects would largely involve things like signing, striping, and maybe raised medians here and there. The way I look at this, as a source of funds to accomplish those things for which we have no funding right now. The effort this weekend will also result likely in some larger proposals for roundabouts and things. That would become a separate project on its own. But this would give us available funds to take care of the smaller projects where we want to put crosswalks, inroad lights, (inaudible) and

flashing beacons, stripes, bike lanes, and raise some medians to make pedestrian safety better. That is what I perceive that we could make use of this. Though one question I would have in my mind is if we wanted to pursue a lot of these in-house, I do not know that we could use CIP funds for that purpose because that would have to be Operating Funds, I believe because in order to pursue these in-house we would be talking about things like supplies. We do a lot of work in-house with our producing budget. So from that standpoint if we want to do improvement from a CIP fund, we would have to go procure of the services and for that, I not sure this would be something as effective for something like this.

Chair Furfaro: That was the explanation that I gave earlier about making sure that they qualify. You are saying that you do not think so and I think that question would be for Steve as well.

Mr. Dill: At least not in the way that I am understanding this proposal.

Chair Furfaro: Well, maybe we can get a little bit closer understanding to it, as we break for lunch, what it might be because we have raised those kinds of questions. JoAnn, we have five (5) minutes before we break for lunch. Your microphone is on. Did you want the floor?

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Yukimura: No.

Chair Furfaro: Gentlemen on this side? Vice Chair, did you want the floor?

Ms. Nakamura: All I wanted to suggest, I think your intent, Councilmember Bynum, is very good about really focusing on East Side where we all experience this terrible traffic. But I really believe that the forum to do that is through our Committee structure so we can have some pretty detailed discussions with the Department. I think it would be good to look at the draft East Kaua'i development plan, because there is a section on transportation, there are a lot of very good, doable, scalable projects that could make a difference working with a lot of documents generated by the Kapa'a Business Association's work with consultants. Anyway, I just feel that that is the opportunity to really get into the details. I agree with Gary Hooser that we should focus on detailed projects that will make a difference.

Chair Furfaro: Mr. Rapozo and then Mr. Bynum again.

Mr. Rapozo: I agree with Councilmember Nakamura and let us not forget the West Side traffic as well. If you have not been in that recently, I suggest you try it, try to drive out to the West Side early in the morning and hit that traffic coming in. It is not just the East Side. It is the West Side. There are definitely some problems. But again, these issues need to be vetted out with the Administration and I would agree that should occur in the Committee and not here at budget with expecting the Administration. I will say to my colleague, if you have big items like that, over the lunch period, I would highly suggest that you go and talk to the Administration and get some kind of agreement because as long as I keep getting the responses and Larry, I agree with you. I really appreciate you being honest with us and saying it is really too broad or

whatever it is. We are not here to sit here and say yes, we want the money and then get crucified next year because you did not get it done. I do not want to see it. I appreciate the honest. I support the honesty. I support being very meticulous when you start to accept these kinds of moneys because they are big items. I appreciate your responses. Just for my colleagues, unless I can get consensus from the Administration, I am not inclined to support high ticket items. Thank you.

Chair Furfaro:  
for the vote on your suggestion.

Mr. Bynum, I will give you the floor and then call

Mr. Bynum: My memory of Pouli Road, and we are talking about a road that would connect at Agar Cane to the Houselots, go through the bypass and to Foodland to accomplish traffic mitigation by allowing Houselots people to leave their community without going through the traffic if they are going to visit people in Kapa'a or Kapahi or Homesteads. It will also allow people to get to the market and back without ever going on the highway. I believe the issues we were trying to convince the State it was a collector so we could bring down STIP funds. I know that is a dialogue happening now. To me it is clearly a collector when you go from Houselots to the shopping center. I think those were part of the issues. When the Bond Funds were kind of freed up by this, I really felt a priority about traffic mitigation is important for us to do and I was very much thinking about those kind of small projects. In retrospect I probably should have asked for three hundred fifty thousand dollars (\$350,000) for Pouli Road specifically and a smaller fund like maybe one hundred thousand dollars (\$100,000) for island wide mitigation so you can move quickly when you have these good ideas that come from the community that are not big ticket items. I point out that in the East Kaua'i Development Plan as Nadine said, there is an additional connector in the New Town Park that would be a really high value thing for the East Side and help mitigate some of the difficulties there. But last weekend, it was total gridlock and this is not just the East Side people, it is the North Shore people too who have to go through that to get home and visitors who come to Kaua'i and go wow, I spent an hour in traffic just trying to get to my hotel. Thank you.

Chair Furfaro: On that note, there is a motion and a second on table for this five hundred thousand dollars (\$500,000) to be used for...

Mr. Bynum: Mr. Chair I would rather remove my motion and come back after lunch with a different proposal.

Mr. Bynum withdrew his motion to appropriate four hundred nineteen thousand six hundred fifty-six dollars (\$419,656) for Islandwide Traffic Mitigation projects. Ms. Yukimura withdrew her second.

Chair Furfaro: You have removed the second, you removed your first. Now we are going to break for lunch and I want to make sure, members if you have not identified high potential items before lunch, please do not go out and run out at lunch time to look for what you want to spend because we have limited recourses and where we stand right now, we are at about eight hundred sixty-seven thousand dollars (\$867,000) in the Bond Fund and five hundred sixty-five thousand dollars (\$565,000) for CIP. I do want to get through CIP so that we can go on to other things and even have a chance to finish our business by the end of the day. I want to make that statement. Enjoy your luncheon. We will be back at 1:30 p.m.

There being no objections, the Committee recessed at 12:30 p.m.

There being no objections, the Committee reconvened at 1:38 p.m., and proceeded as follows:

Chair Furfaro: We are going to get back in order here and I am going to give the floor back to Mr. Hooser. We have no items on right now. We are on CIP and you have the floor.

Mr. Hooser: Thank you, Mr. Chair. It is housekeeping in a way and not what I would considered a new add that gets credited against Hooser, hopefully. But we did take the fuel tanks from Kapa'a Baseyard out of the Transportation CIP and I would like to suggest that we add it to the Bond CIP in the tune of one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634). There was bond funding for part of this anyway. So, this is all of it. Fuel tanks for Kapa'a added to the Bond Fund CIP, one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634).

Mr. Hooser moved to add funding for "Fuel Tanks Kapa'a Baseyard" to the Bond Fund CIP in the amount of one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634), seconded by Mr. Kagawa.

Chair Furfaro: A second from across the table there. Ross, did you want a moment for a comment? No, okay. Let us restate the motion one more time before I call for a vote.

Mr. Hooser: This is to restate to add to the Bond Fund CIP fuel tanks for Kapa'a Baseyard one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634) which was previously in the Highway Fund CIP. Just moving from a Highway Fund CIP to the Bond Fund CIP.

Chair Furfaro: Further discussion? If not, I am going to ask for a roll call vote.

The motion to add funding for "Fuel Tanks Kapa'a Baseyard" in the amount of one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634) to the Bond Fund CIP was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Seven (7) ayes. So noted that we make that change. What was that amount again, Mr. Hooser?

Mr. Hooser: It is one hundred thirty-two thousand six hundred thirty-four dollars (\$132,634).

Chair Furfaro: Thank you. That is now in the Bond Fund. Mr. Bynum, I am going to continue around table. You wanted the floor to reconsider another option? If not, I am going to around to the Vice Chair.

Mr. Bynum: I thought we were coming to the end of changes to the Bond Fund and that is why I made that proposal. If other Councilmembers have things that are going to impact the Bond Fund, maybe I could hold off for now.

Chair Furfaro: I will give you the floor. I will keep my requests on the pool to be last. I will do the swimming pool last.

Ms. Nakamura: Thank you. I would like to add to the CIP fund funding for the Creative Technology Center. Previously known as the Digital Media Center and the amounts is seventy-eight thousand dollars (\$78,000).

Ms. Nakamura moved to add funding for "Creative Technology Center" previously known as "Digital Media Center" in the amount of seventy-eight thousand dollars, seconded by Ms. Yukimura.

Chair Furfaro: You have the floor, go ahead.

Ms. Nakamura: Thank you. Just to give you the background, the Council in past couple of years has approved the Feasibility Study and then a business plan for this Creative Technology Center. For some of you who were not here at the time, we did have a briefing last year where the Consultant talked about the Feasibility Study. We had quite a good cross section of the community here testifying in support of this project. Unfortunately, the business plan is in the process of being completed and we should have it had done prior for the budget process. But since we do not have it in front of us, I am just summarizing some key points here. We have Alan Tang who is working on the business plan. He met with Senator Kouchi. He has met with various landowners. They are looking at alternative sites within the Līhu'e vicinity. Again, this is through the Office of Economic Development who contracts with the Kaua'i Economic Development Board and they have met with the United States Economic Development Administration that gives out grant funding for these types of projects. They met with Senator Schatz, Senator Hirono, Representative Gabbard, and have received verbal support for the project. They have met with Kaua'i Legislators, Kouchi, Tokioka, Kawakami, and Morikawa. They have met with Wilcox Foundation and other foundations. Ho'ike, community television is interested in collaborating with this project. They have met with members in the film and video production industry, visitor industry. We had Chancellor Cox and Bill Arakaki from the Department of Education because of the teaching component possibility and that they are designing around. This is, to me, a very important project that we try to pursue and not stop in the process. They are in the process. They have looked at many different types of creative media facilities around the mainland to learn what works, does not work, and most importantly to make these projects financially sustainable and that is why this business plan that we are going to be presented at the end of June is so important. This is not about an ongoing commitment of County government funding. This is about trying to leverage our County funds so that it can be a long-term, sustaining venture. They are looking at various sites around Līhu'e, again. When we get updates on the business plan, they will have the site selection information, financial plan, implementation plan, and I think what is most important is bringing a lot of different players in the science, media, cultural, and technology clusters around this one facility. As we put more funding into the education of our youth and getting them up to speed with technology from elementary school on up, we really need to have the opportunities for these kids to now have a place to take off, either start a new business, learn how to develop their skills, or be a teaching center for digital media, really Statewide. There are many opportunities. I feel that this is one we should not let go of. We should try to move it along. They had asked for one hundred twenty



thousand dollars (\$120,000). When I did my pluses and minuses I could only come up with seventy-eight thousand dollars (\$78,000) from my plusses and minuses. So that is what I am asking for.

Chair Furfaro: I am going to ask Steve Hunt for some comments.

There being no objections, the rules were suspended.

Mr. Hunt: Thank you, Chair. The Administration is very supportive of the project. The challenge is when consulted with Brian Hirai in terms of eligibility for bond funding, it was determined that it was not eligible because they sites that were being located were not County owned properties and you cannot put capital into projects that you do not own and that is why it was moved out of the CIP. Had we maybe room in operation, it could have been considered. But in terms of at that time, the full funding was one hundred twenty thousand dollars (\$120,000) I believe, that we could not find the room for it and it was not eligible for bond funding.

Chair Furfaro: Steve, it could be eligible for the part of the five hundred sixty-five thousand dollars (\$565,000) on the regular moneys that we have found.

Mr. Hunt: Yes.

Chair Furfaro: Thank you, Steve. Mr. Kagawa, you wanted the floor?

Mr. Kagawa: No, that was my question whether it qualified for bond and it passed the three (3) prong test and it does not.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: JoAnn.

Ms. Yukimura: This is one of the most exciting economic development proposals that the County is working on. We all know that jobs created in our Country have been created out of the technology, innovation, and creativity. I think in terms of a foundation for the future economic growth of Kaua'i, this is a really critical part. I love how it is tied into the education of our young people. If bond moneys are not available for, this we should find moneys elsewhere somehow.

Chair Furfaro: Other discussion? Mr. Bynum.

Mr. Bynum: I am very much in support of this proposal. I believe the State also finally decided to give film credits this year and is giving support to the film industry through film credits. But I would like to know more about that. But that would be good news for this type of funding, if I got that information correct. But my only concern is about where to find it and partially funding. If it is one hundred twenty thousand dollars (\$120,000) that you need, it is one hundred thousand dollars (\$120,000) that you need. I am in conceptually in support, just not sure where those funds are going to come from.

Chair Furfaro: Further discussion? JoAnn.

Ms. Yukimura: I have a question to allow future funding. If it is not qualified for bond moneys, once a non-profit organization is created, could the entity not be qualified for special bonds at the State level?

Chair Furfaro: That was a question you were posing to Finance?  
Would you come up?

There being no objections, the rules are suspended.

Ms. Yukimura: Do you know about special bonds?

Mr. Hunt: Are you referring to grant-in-aid through the State?

Ms. Yukimura: No, there is a process, probably for our Senator here can explain. I think it is those moneys that the Shrimp Farm just got which are available to private entities with a public – I do not know, public purpose that can pay off. The State incurs no direct liability and the moneys are paid off by the private entity through the revenues that come in.

Mr. Hunt: That would, I guess, be an individual entity coming in and looking at what options that they have for funding. I do not think it would be part of your budget process though.

Ms. Yukimura: No. But I am just talking in terms of getting it off the ground to qualify for other funding.

Mr. Hunt: If you are looking at seed money, if you will, the only way that comes from General Fund on our participation.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: Council Vice Chair.

Ms. Nakamura: I would like to because the discussion now is on CIP, I would like to withdraw my motion.

Ms. Nakamura withdrew her motion to add funding for “Creative Technology Center” previously known as “Digital Media Center” in the amount of seventy-eight thousand dollars. Ms. Yukimura withdrew her second.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: Can I ask a related question even though it has been withdrawn?

Chair Furfaro: Go right ahead.

There being no objections, the rules were suspended.

Mr. Bynum: In the General Fund CIP, we have not left much at all, right? But there is forty-nine thousand dollars (\$49,000) for Kapa'a new fire station and twenty-seven thousand seven hundred dollars (\$27,700) for security renovations. Could those be moved to Bond Fund to free up room in the General Fund CIP?

Mr. Hunt: I would call up Keith who is more familiar with the individual projects.

Mr. Suga: Councilmember Bynum, could you repeat the projects you are referring to?

Mr. Bynum: Kapa'a new fire station in for forty-nine thousand seven hundred fifteen dollars (\$49,715) and security renovation Mayor's Office, twenty-seven thousand seven hundred thirty-eight dollars (\$27,738).

Mr. Suga: I believe these balances are to complete those two (2) projects that you are listing and I do believe that they could be. I think they could be utilized in the bond funding.

Mr. Bynum: Well, I agree with Councilmember Yukimura that this is something that we do want to pursue. If that makes it more palatable in terms of where the funds would come from. I am just brainstorming because I would like to find one hundred thousand twenty dollars (\$120,000) to fund this if that is the identified need. I guess I got my answer. We could make those moves and then maybe place this in General Fund CIP.

Chair Furfaro: Let me ask an accounting question here. For the money that we have saved in CIP Highway, those qualified items, we would take items out of the General Fund that are related to transportation, move it to this savings in the Highway and then that will free up money that we could use?

Mr. Hunt: That is correct. Within transportation, three (3) Divisions; Administration which portions can be funded from highways; Operations which I think all of it can be funded from highways; and then the third is the small machine which cannot be funded from highways.

Chair Furfaro: I think that might be something that we have to do first as Mr. Hooser pointed out to us this savings. But I would have to pull out a cumulative amount, transfer to the savings in highways which then would then make other moneys available that we could consider?

Mr. Hunt: Correct. If you were looking at the five hundred sixty-five thousand dollars (\$565,000) before you and you identified five hundred sixty-five thousand dollars (\$565,000) within transportation operations, that frees up the amount contribution General Fund which then gives you that much to play within the General Fund.

Chair Furfaro: Is that something that you can do for us in about in a twenty (20) minute review, real quick somebody?

Mr. Hunt: We will go through the operations within transportation and find those items that are eligible.

Chair Furfaro: Because Mr. Hooser's comment earlier was then we can identify those moneys for add-ons of which Vice Chair's piece would be one of those that we could consider adding on.

Mr. Hunt: Correct, other than I believe the operations as it sits now is one million three hundred thirty-six thousand dollars (\$1,336,000) still in the negative. It would offset some of that.

Chair Furfaro: If I took a recess that we could do that, I think that would help us all going forward with any adds especially if they were for particular pieces. We first need to identify what we can move to the transportation that frees up other moneys, right?

Mr. Hunt: Correct.

Chair Furfaro: Mr. Hooser, you had your hand up. Were you following what I was saying?

Mr. Hooser: I did. I think you restated it very well. I did have a handout that illustrates it for any member who is not clear because it gets a little condeluded.

Chair Furfaro: Is this the handout?

Mr. Hooser: Yes. It is my understanding that the five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) essentially can be spent for the General Fund operating and/or for the Highway Fund and that I would think if we operated under that premise, which the Finance Director says I think we affirmed, we could let staff allocate whatever numbers that they need to because it gets more complicated. There might be proposals from members who want to keep money in the Highway Fund.

Chair Furfaro: Yes.

Mr. Hooser: We have the flexibility to do whatever, if we move it all to the operating and want to move some back to the highway, I guess we can do that too. But we have pretty much complete flexibility and it is just a book keeping thing that the Administration and the staff would have to allocate to the right line items. Did I state that correctly?

Mr. Hunt: Again, there are only a few items that cannot be covered by Highway Fund within transportation. We can find home for all of that five hundred sixty-five thousand dollars (\$565,000) or a portion of it.

Mr. Hooser: Thank you.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: Mr. Hooser has just stated what I would like us to do. Then have that discussion because from there then we can look at some of the considerations, like Vice Chair Nakamura has put on the table. Am I correct? Scott, if I

ask you folks to get together with Keith real quick, I think we would like to take care of that piece of business first, if we can. Mr. Kagawa, you have a question?

Mr. Kagawa: I have a comment.

Chair Furfaro: Any comment on what I want them to do first?  
Let us take a ten (10) minute recess and get that sorted out.

There being no objections, the Committee recessed at 1:57 p.m.

There being no objections, the Committee reconvened at 2:12 p.m., and proceeded as follows:

Chair Furfaro: Jade, would you give us a summary? I believe what we are doing we are taking operating costs from payroll taxes and benefits and equaling it to the five hundred sixty-five thousand dollars four hundred eighty-five dollars (\$565,485).

Ms. Fountain-Tanigawa: Bus drivers, correct.

Chair Furfaro: When it is all over, we still have to address whatever the net is of the nine (9) something?

Ms. Fountain-Tanigawa: In operating budget, correct.

Chair Furfaro: In the operating budget, right. You folks are all square? Yes? Nadine wants to entertain this again. It can go in the Operating Budget. When we come around to add on the Operating Budget, that is when I will give you the floor again.

Ms. Nakamura: Thank you.

Chair Furfaro: On that note, is there any more in CIP? JoAnn, I gave you the floor. He has had his chance. Nadine is having her chance. Do you have any more comments about the last item? If not, I am going around the table.

Ms. Yukimura: No.

Chair Furfaro: I thought you had your hand up for a comment.  
Going around the table, Mel, we are at you?

Mr. Rapozo: I have no adds.

Chair Furfaro: Mr. Kagawa, we are back to you.

Mr. Kagawa: I just have a comment on the Kaua'i Creative Technology Center. I love the idea. I love the concept. The only thing I did not love is that we tend to get a lot of the State Representatives' verbal support, but it is just verbal and they had a three hundred million dollars (\$300,000,000) surplus and I would hope that when you have unanimous support for a project like this, that is highly State function working with Kaua'i Community College (KCC), et cetera, I would hope with the support comes some money with the surplus. I know they decided that the Mānā drag strip was

very important to them to the tune of one million five hundred thousand dollars (\$1,500,000) and the funding of the Philippine Cultural Center. I also agree that those are important things to fund. However, I would have hoped that maybe they could have gotten some financial commitments towards a project like this which definitely directly affect our schools as well. Thank you.

Chair Furfaro: Thank you. I am trying to move us out of CIP.  
Is there any more CIP? Mr. Hooser.

Mr. Hooser: Chair, I am interested in supporting projects that are shovel-ready, ready to go, and it is my understanding that the swimming pool that you May propose Kapa'a Pool and I will defer to you on that.

Chair Furfaro: Thank you. I am going to plan to call up Lenny on that. Since everybody has gone around the table once, I would like to see if we could not identify at least another two hundred thousand dollars (\$200,000), not to make a temporary fix at the Kapa'a Swimming Pool, but piggy-back it with the four hundred thousand dollars (\$400,000) we have there and see if we cannot fix the filter pump, fix the roof, make the bathrooms permanent, and get the shower facilities operating. I would like a motion on my suggestion for an additional two hundred thousand dollars (\$200,000) to see what we can get before I suspend the rules and call up Mr. Rapozo.

Mr. Hooser moved to increase funding for "Kapa'a Pool Restroom Reconstruction" in the amount of two hundred thousand dollars (\$200,000), seconded by Ms. Yukimura.

Chair Furfaro: Lenny, if you could please come up.

There being no objections, the rules were suspended.

Chair Furfaro: Lenny, what I understand that we have is four hundred thousand dollars (\$400,000)?

Mr. Rapozo: Yes.

Chair Furfaro: And that four hundred thousand dollars (\$400,000) is to help bring the pool up operationally and also to find ourselves doing some restorations to the bathrooms, the showers, the toilets, and changing areas.

Mr. Rapozo: Yes.

Chair Furfaro: Is that still based on using temporary portables?

Mr. Rapozo: Yes, Chair. Yes.

Chair Furfaro: I am wondering, if we did not bump that another six hundred thousand dollars (\$600,000), if we could not make the Kapa'a Pool – I mean another two hundred thousand dollars (\$200,000) and make it six hundred thousand dollars (\$600,000) rather than pay for rentals for toilets and so forth. Could we not make the repair for the pool more permanent?

Mr. Rapozo: Yes Chair. We have continued to do research and we just found this product called CTX that will be part of my presentation on

Wednesday. It looks like a permanent/portable structure that comes out of Illinois. We are doing some research in terms of seeing what it will cost which I would think will be about the cost of the purchase itself. It looks more permanent than the type of portables that we were moving to rent which is similar to what you had down at the temporary Council Chambers in Nāwiliwili at the time.

Chair Furfaro: I just want to say that because I think it is going to be many years before we can afford a new pool.

Mr. Rapozo: I agree. The CTX or the other modular type we were looking at, that is why we looked at those as opposed to just the port-a-potties, that is unacceptable at that facility.

Chair Furfaro: If I get support enough to bump the Kapa'a Pool project to six hundred thousand dollars (\$600,000), an additional two hundred thousand dollars (\$200,000), could I relatively soon put you on the agenda so we can start having some dialogue about permanent fixes, not temporary fixes?

Mr. Rapozo: Sure. I would love to.

Chair Furfaro: Mr. Kagawa.

Mr. Kagawa: Lenny, I know the cost of just an ADA type of restroom runs us half a million dollars (\$500,000) and I am worried that the two hundred thousand dollars (\$200,000) additional may not be enough. I think we need closer to one million dollars (\$1,000,000). I do not know how you feel.

Mr. Rapozo: I believe initially to do the demolitions work I leveraged some of the 209 Fund to do the demolition work. I have a current bid but the demolition permit has been a challenge for me because of the location and age of the pool. That has been a challenge and the current four hundred thousand dollars (\$400,000) in there would probably take care of the current purchase of what we intended to from the modular homes and the CTX's look like it will be around that similar number cost.

Mr. Kagawa: Are you saying no more additional?

Mr. Rapozo: I think two hundred thousand dollars (\$200,000) would be awesome.

Mr. Kagawa: Very good. Thank you.

Chair Furfaro: Total of six hundred thousand dollars (\$600,000).

Mr. Rapozo: Yes.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: I was supportive of the plan you brought us and what I have been told for a while so it may be many years that we are eventually going to abandon that site for it being a pool.

Mr. Rapozo: That is our direction, yes.

Mr. Bynum: If we go to more of a permanent fix – well first of all it is a pool restroom that has parameters I assume that are different from a regular comfort station.

Mr. Rapozo: The CTX that we are looking at is portable, but yet it is a structure.

Mr. Bynum: Right. I guess my question is are there other issues at the pool that is going to hit us in the future because I heard you say we are going to do the restrooms, make them usable in a somewhat permanent way. I was thinking about the restrooms that were by the courthouse. I do not know if you recall that.

Mr. Rapozo: That was one option. But we just recently found the CTX, a better option. It looks more like a restroom building.

Mr. Bynum: I just cannot see putting a whole lot more money if we find out in three (3) years that the pool itself has to be abandoned or needs major renovation.

Mr. Rapozo: We have determined that the pool itself and the pump system seem to be in decent shape. Maybe the sand filter system that is in place since the pool was built and there seems to be some trouble in finding out exactly when. But Alonda Anaya says he went to the pool opening when he was a little boy and that was in 1961. So, that is when we think the pool was built. So that sand filter still is the original. Everything else has been replaced recently and that seems to be working fine right now. That would be the only foreseeable problem coming up soon or within the future.

Mr. Bynum: For Parks you would welcome this additional funding?

Mr. Rapozo: Yes.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: We have on the motion to take Kapa'a Swimming Pool to a new number of six hundred thousand dollars (\$600,000) by adding an additional \$200,000. I want to make sure this does not cure all the pieces. This cures the immediate pieces. I think at one particular time I had raised the question about basic R&M for the pools. I mean they should be re-plastered every ten (10) years and I do not think any of our pools have been re-plastered. Those things have to go up later on the R&M and I would hope we have had those discussions about funds used from other accounts. There is normal repair & maintenance and then there is this. It totally has to be rebuilt, that is not repair & maintenance. I would hope we can do this instead of four hundred thousand dollars (\$400,000) for rental and temporary facilities we could do two hundred thousand dollars (\$200,000) additional and really focus on getting the pool back to operational order. May I call for the vote, please?

Ms. Fountain-Tanigawa: Council Chair for clarification, this is two hundred thousand dollars (\$200,000) on top of the three hundred ninety-five thousand dollars (\$395,000), currently proposed?



Chair Furfaro: Could I clarify that? That money can come out of the Bond Fund because it is for an asset.

The motion to increase funding for “Kapa’a Pool Restroom Reconstruction” in the amount of two hundred thousand dollars (\$200,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes

Chair Furfaro: Thank you. Seven (7) ayes. Lenny, thank you very much for the commentary and the support from the Administration. New item, Mr. Bynum. Before we go any further, it is 2:30 p.m. I want to make sure that we understand in our rules, you can speak no more than two (2) times on a judgment item. Let us stay with the rules because I want to try and see if we cannot resolve this budget by today. Mr. Bynum, you have the floor.

Mr. Bynum: After talking with Larry and Lyle and doing some research on the lunch break, there is a line item in the bond currently labeled “Complete Street Safety Improvements” for seventy-five thousand dollars (\$75,000) and I am going to move that we change that description to be “Complete Streets Safety Improvements/Traffic Mitigation” and add seventy-five thousand dollars (\$75,000) to make the total one hundred fifty thousand dollars (\$150,000).

Mr. Bynum moved to change the project title from “Complete Streets Safety Improvements” to “Complete Streets Safety Improvements/Traffic Mitigation” and add funding in the amount of seventy-five thousand dollars (\$75,000), seconded by Mr. Kagawa.

Chair Furfaro: We have a motion and a second on that. Further discussion? If not I am going to call for the vote.

The motion to change the project title from “Complete Streets Safety Improvements” to “Complete Streets Safety Improvements/Traffic Mitigation” and add funding in the amount of seventy-five thousand dollars (\$75,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Seven (7) ayes. Moving right along. Any other proposed additions at this point? Joann?

Ms. Yukimura: Yes, thank you. I would like to move that we add forty thousand dollars (\$40,000) in the Bond Fund for Transportation Baseyard Check-In Facility. It was part of Ms. Mahikoa's Fiscal Year 2014 improvements in order to address the congestion of our peak hour routes on the bus.

Ms. Yukimura moved to add funding for "Transportation Baseyard Check-In Facility" in the amount of forty thousand dollars (\$40,000), seconded by Mr. Hooser.

Chair Furfaro: Motion and second for the addition. The amount was forty thousand dollars (\$40,000). Discussion members. If not, call for a vote please.

The motion to add funding for "Transportation Baseyard Check-In Facility" in the amount of forty thousand dollars (\$40,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you. Going around the table,  
Mr. Kagawa, Mr. Hooser, anymore?

Mr. Hooser: I will pass for now.

Chair Furfaro: JoAnn, you just had a chance. Mr. Bynum.

Mr. Bynum: My understanding that we need to allocate the funds in the Bond Fund and I would like to move to put the remaining total of four hundred fifty-nine thousand six hundred sixty-six dollars (\$459,656) into a line item called Pouli Road Design. This was in the budget from 2008 until 2011. Nobody seems to remember under what circumstance as why it left the budget in 2011. But it was something that we did considerable work on and has considerable promise to mitigate traffic concerns and safety concerns on the East Side.

Mr. Bynum moved to add funding for "Pouli Road Design" in the amount of four hundred nineteen thousand six hundred sixty-six dollars (\$419,656), seconded by Mr. Hooser.

Chair Furfaro: The motion is to move four hundred nineteen thousand six hundred sixty-six dollars (\$419,656). I think I have got that correct or thereabouts. The last of the money in the Bond Fund to Pouli Road Design.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: Yes, you have the floor.

Mr. Rapozo: I think I heard enough from the Administration earlier discussion that I do not believe that they are prepared at all for that. I am not going to be supporting that. Thank you.

Chair Furfaro: Do not need to have any more dialogue. I am going to call for the vote. Roll call, please.

The motion to add funding for "Pouli Road Design" in the amount of four hundred nineteen thousand six hundred sixty-six dollars (\$419,656) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Yukimura, Furfaro	TOTAL – 4,
AGAINST APPROVAL: Kagawa, Nakamura, Rapozo	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: Four (4) ayes, three (3) nos, it does not pass.

Ms. Yukimura: It does pass.

Chair Furfaro: You need five (5) votes for an addition, four (4) votes it does not go in. Around the table. Councilmember Nakamura.

Ms. Nakamura: I have a procedural question about the balance in the CIP Bond Fund. The four hundred nineteen thousand dollars (\$419,000), we need to find a project to expend the funds on as part of this process. I would like to just throw out on the table another possibility and I have not prepared anything. But I have been thinking about it and this is the Pi'ikoi Building renovations. There are several Departments that are packed in there. We know. We heard during the budget presentation that Finance and Planning have very difficult time adding people to their Office because there is no space for them. A good chunk of funds were diverted to Hardy Street improvements that could have gone into the design of the empty space used for storage now at the Pi'ikoi Building. If we do not get the design process moving on that, those Departments are going to continue to be in very crowded conditions. I am just going to throw it out and see where the votes are. But I think that we have to look at the capacity of our workers. I really think that the conditions in some of those Offices are very tight and so we will just throw that out as a possible priority use of these funds.

Chair Furfaro: You are making that motion?

Ms. Nakamura: Yes, I am.

Ms. Nakamura moved to increase funding for "Pi'ikoi Interior Renovation Phase II" in the amount of three hundred thousand dollars (\$300,000), seconded by Mr. Rapozo.

Chair Furfaro: Thank you for that, Mr. Rapozo. We have a second from Mr. Rapozo. Mr. Kagawa.

Mr. Kagawa: Yes, I concur that we need – I see that there is some money in there for Pi'ikoi already. I have one other suggestion that I would like to see if Lenny can comment on and it is to put some moneys in for Hanapēpē Stadium

improvements. The football stadium bleachers are very old and starting to fall apart and we do not have any moneys in there, I believe. But there are also some issues with repairing the food booth and there is a need for improved ADA accessibility including paved walkways to get to the restrooms around the facility. I would like to leave that as one of the options, maybe half-and-half or something like that with the rest of the moneys. Thank you.

Mr. Kagawa moved to add funding for “Hanapēpē Stadium ADA Walkways and Food Booth” in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828), seconded by Mr. Rapozo.

Chair Furfaro: I have got a procedural question for myself. I am going to need a (3) minute time out, three (3) minute recess.

There being no objections, the Committee recessed at 2:31 p.m.

There being no objections, the Committee reconvened at 2:32 p.m., and proceeded as follows:

Chair Furfaro: Members we have a situation where we cannot necessarily entertain a new idea when we have a motion and second on the table. We have to dispose of that motion first. Now, if you would like to have the second withdraw it and the first, we can have a decision about the four hundred nineteen thousand dollars (\$419,000) balance and you may come up with a compromise. But the reality is by Robert’s Rules the first item has to be disposed of. If you do not want to remove the second on the proposed item, then I will call a vote and we will stand on what goes that way. I am going to do that at this point. Mr. Kagawa, I hope you understand the procedural in our rules. There is a motion on the table dealing with the four hundred nineteen thousand six hundred fifty-six dollars (\$419,656) which is the last of the bond money for the purpose of upgrading, modifying, and redesign of space in the Pi’ikoi Building for the purpose of providing the appropriate work areas for the Administration across the street. Now I am going to call for the vote on that item.

Mr. Hooser: Just a little bit more discussion.

Chair Furfaro: Absolutely, go ahead.

Mr. Hooser: I understand the need to properly plan the space. I do have some concerns about the food hub and the fact that that has not been worked out. I would hate to spend money on planning space.

Ms. Nakamura: Can I clarify?

Chair Furfaro: Mr. Hooser, I am going to let her respond to your question.

Ms. Nakamura: This has nothing do with the Big Save space. This is about the vacant space used for storage that is planned for the Planning Department and I believe the Department of Parks and Recreation. But it is a huge space that is not improved, simply used for storage now.

Mr. Hooser: Just a follow-up question.

Chair Furfaro: You still have a floor.

Mr. Hooser: The four hundred nineteen thousand five hundred fifty-six dollars (\$419,656), do you have any idea, is it all needed?

Ms. Nakamura: I believe and maybe Larry Dill or maybe Gary could clarify. But the idea would be to begin the design process which there is no plan to even begin looking at design in this budget. We know that is going to take some time. We have got to start the process somewhere.

Chair Furfaro: Mr. Heu, will you consider coming up to help us answer this?

There being no objections, the rules were suspended.

Mr. Heu: Was there a specific question?

Chair Furfaro: I will let the Vice Chair restate her question for you. Go ahead, Nadine.

Ms. Nakamura: When Larry Dill came over here to give us an update on the office space needs for the County, it was clear that the focus was working on the Solid Waste Division, getting that area designed and improved and there was this area currently used for storage that was targeted in the office plan for Department of Planning and the Department of Parks and Recreation so that that space could be used by other Departments that need to expand into those areas.

Mr. Heu: Right.

Ms. Nakamura: I guess the question is, are you prepared to look at a design component of that storage area in this fiscal year?

Mr. Heu: We just had a brief discussion because obviously if you folks are looking at allocating additional funds so use it in a timely manner. I think previously we have discussed having to finish an assessment plan. However, Larry and I were just talking and he feels that they can in fact, move ahead on the design of certain components based on the original plan.

Ms. Nakamura: Can you clarify what you mean by certain components?

Mr. Heu: Can we just have a five (5) minute recess?

There being no objections, the Committee recessed at 2:37 p.m.

There being no objections, the Committee reconvened at 2:43 p.m., and proceeded as follows:

Chair Furfaro: We are back and I think the way we left it, Administration, you requested a five (5) minute time-out to answer a question. You want to respond now after the time-out?

Mr. Heu: Sure. I will let Larry answer any technical questions. But basically, I think the direction is that if we were provided an allocation of about say three hundred thousand dollars (\$300,000) and in addition to finishing off the Feasibility Study we would, as Larry had previously indicated, it was their desire to move ahead with the design for solid waste and wastewater and we would also include planning in that with the additional allocation.

Mr. Dill: If I may, Chair? We would update the Office Space Master Plan. Also, we would look at the entire infrastructure in the building, the utilities, HACV, and make sure that would be able to support the master plan and any improvements necessary for that.

Chair Furfaro: Before I recognize others, of the four hundred nineteen thousand dollars (\$419,000) you are implying that you would encompass some of this work for an additional three hundred thousand dollars (\$300,000)?

Mr. Dill: Yes.

Chair Furfaro: Mr. Bynum, you have the floor followed by JoAnn.

Mr. Bynum: This would expedite when we actually had usable office space for our employees, correct?

Mr. Dill: Yes.

Mr. Bynum: Thank you.

Chair Furfaro: JoAnn.

Ms. Yukimura: You are updating the space study and let us not call it a Feasibility Study because I do not think it is about whether things are feasible you are just thinking about the next steps in providing space, right?

Mr. Dill: Correct.

Ms. Yukimura: When are you completing the space study? What is your timetable on this? When are you completing the space study?

Mr. Dill: We planned to go out for this with Fiscal Year 2013 CIP funds already appropriated. We would have to revise that. I need to speak to our Procurement Officer about the best way to do that now since we are already part way down the road. We would be adding specifically to the scope and we may have to start the procurement process again. But having said all of that, it would probably take us...

Ms. Yukimura: You already have somebody doing the space study update?

Mr. Dill: Not started yet, close. Close to negotiating a contract with somebody.

Ms. Yukimura: Well, good thing we caught it before you finalized a contract.

Mr. Dill: Yes.

Ms. Yukimura: The space study is for how many years?

Mr. Dill: That is what we still have not negotiated that final point. We have not determined that final point as far as the planning horizon. I know the original plan horizon on the original one was only five (5) years and I do not know why it was that short.

Ms. Yukimura: You would not spend any of this money until you finished that study?

Mr. Dill: No. We already have identified as the high priority items among others, Solid Waste, Wastewater and the Planning Department. We would go ahead with all of that at the same time. We would take care of Planning, Solid Waste and Wastewater and the Office Space Planning Study would happen concurrently.

Ms. Yukimura: Would what?

Mr. Dill: Would happen concurrently.

Ms. Yukimura: Would be doing concurrently?

Mr. Dill: Yes.

Ms. Yukimura: You would use the three hundred thousand dollars (\$300,000) to design the expansion for Solid Waste, Wastewater and Planning?

Mr. Dill: We already have some funds appropriated so with this, we would add the Planning Department and looking at the infrastructure in the building.

Chair Furfaro: Water, air, electricity, all of those.

Mr. Dill: Yes, air conditioning is a big one.

Ms. Yukimura: This is the part of the building that is not the portion that Big Save was in, but adjacent to?

Mr. Dill: Correct. Though the office space plan part would include all of it.

Ms. Yukimura: Are you including parking in all of this, too?

Mr. Dill: I do not believe we are, no, just the office space plan.

Chair Furfaro: Larry, you are aware you are adding twenty-one (21) parking stalls with the closure of here, right?

Mr. Dill: Right.

Ms. Yukimura: I hope somebody is taking into account the total parking needs as well. Thank you.

Mr. Dill: Thank you.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I am going to call for the vote here on this item. The amount is three hundred thousand dollars (\$300,000). We had a motion, as well as a second. Let us go around the table and that will leave one hundred nineteen thousand six hundred fifty-six dollars (\$119,656). Start with Mr. Hooser, on the vote, please. Roll call.

Ms. Nakamura: Chair, I need to state again my motion.

Chair Furfaro: That is why I restated it.

Ms. Nakamura: That is what I thought. That is what I had heard.

The motion to increase funding for "Pi'ikoi Interior Renovation Phase II" in the amount of three hundred thousand dollars (\$300,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
Yukimura, Furfaro	TOTAL - 7,
AGAINST APPROVAL: None	TOTAL - 0,
EXCUSED & NOT VOTING: None	TOTAL - 0,
SILENT: None	TOTAL - 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Seven (7) ayes, thank you. A quick update, Mr. Kagawa, you will have the floor. That leaves us one hundred nineteen thousand six hundred fifty-six dollars (\$119,656) in the bond adjustments.

Mr. Kagawa: Mr. Chair, Mr. Rapozo has not asked for anything. He has done a lot of cutting so I will give him a chance to add one of his projects please. Thank you.

Mr. Rapozo: Thank you, Mr. Kagawa. I did not honestly did not prepare for any additions simply because I did not think we would have the resources and I appreciate all of the efforts to move around the moneys to free up some bond money. I had an opportunity to go down to Hanamā'ulu Beach Park last week and take a look at that old restroom. I just had a real quick chat with Keith regarding demolition. I understand there is a bigger plan for that place and I can accept that. But to allow that structure to remain is an invitation to drug use, invitation to homelessness. I did not realize how beautiful Hanamā'ulu Beach Park was until I went there last week and Lenny, compliments to whoever is taking care of the park because it is a fabulous location. I cannot speak to the water. But that is beyond our control. In fact, that day one of the



County workers was working the shoulders and edging the grass. I spoke to Keith and he is talking about seventy-five thousand dollars (\$75,000) to demolish. I was going to talk to you Lenny, but I ran into him first so I stopped at his place, with him first. But is that something that could be done, just to remove that structure so we can basically keep that area free from what is going on down there?

Chair Furfaro: You can respond to Mr. Rapozo.

There being no objections, the rules were suspended.

Mr. L. Rapozo: Mel, we are in the permitting process. I have engaged the community. There is a community member that is willing to bring in his own machines to demolish the place on his own. Our commitment would be to get the permits and to help with the disposal fees for that particular facility. We are stuck at Department of Land and Natural Resources (DLNR) because it is in a conservation district in terms of getting the demolition permit. We have gone through the County's reviews and we are at DLNR, I have a call into our representative that sits on the board. Once we get that permit, we will be coming here for that donation from the community member who is willing to go down there with his machines and demolish it and haul it away for us.

Mr. M. Rapozo: I would assume this person is licensed?

Mr. L. Rapozo: He is a licensed trucker who grew up in Hanamā'ulu.

Mr. M. Rapozo: No, that is fine. I appreciate that as well. I just want to make sure that it gets done. I understand the permitting and I appreciate the response. So, that is fine. That will save us seventy-five thousand dollars (\$75,000). Thank you, Lenny. Thank you, Mr. Chair.

Chair Furfaro: Mr. Kagawa.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Kagawa: Thank you. That allows myself and Councilmember Yukimura to try and split the difference of one hundred nineteen thousand six hundred fifty-six dollars (\$119,656) that is remaining. Lenny, I am going to ask that we use half of that amount. I do not have the exact figure here. But half of what is left up there, one hundred nineteen thousand six hundred fifty-six dollars (\$119,656) and I want to use it for plans and design for a new food booth facility. Hopefully, we can at least begin the process. I believe that structure is about seventy (70) years old, maybe. It does not appear that we are going to move our football activities, soccer activities, et cetera any time soon. I would also like to provide at some point ADA walkways from the entrance of the stadium to the restroom and to the food booth. Our residents have gotten used to rolling with the wheelchairs on the grass and especially when it is rainy and wet, it is very, very difficult and messy. If you could start in that direction, I would greatly appreciate it. There is no sense doing the ADA walkway as around the food booth when we are going to break it down soon. I am going to rely on Lenny to try and plan this out accordingly. Thank you.

Chair Furfaro: JoAnn.

Ms. Yukimura: Just a question. Is that amount just to cover both the food booth and walkway and Lenny, you have one million dollars (\$1,000,000) plus for ADA improvements is that not covered?

Mr. Kagawa: Well, I figured we would leave it broad because there is a lot of need and he can best use it as we work towards at some point getting a new food booth. But leaving it broad to cover, if it is perhaps not enough to do a food booth design, we can do some walkways at least to cover the areas from the entrance to the restroom facility. I think that would be a good start, but let us give the Parks Director some leeway because I think all in all, we want to begin that process of being more responsive to the needs of accessibility. Thank you.

Chair Furfaro: Mr. Bynum, you have something to add?

Mr. Bynum: The discussion we have had recently is really about us reprioritizing a significant amount and all of these things we are funding I think have a higher priority than what we removed. I can support this, but I just want to point out to Councilmembers a few minutes ago I talked about some funds that could be moved from General Fund CIP which would free up funds for General Fund adds that some of you may want to do. Another potential for these funds is to free up General Fund moneys because I think I have got this right, Steve or Ernie, if it is in General Fund CIP and we move it to Bond Fund, then those funds remain in the General Fund and can be used also for staffing and operations, right? I just do not want us to lose that opportunity. These are good proposals. I think it is very important that we do the ADA things as quickly and as adequately as possible. But it is going to constrain our options in the General Fund. I have mixed feelings.

Chair Furfaro: Call for the vote on that note.

The motion to add funding for "Hanapēpē Stadium ADA Walkways and Food Booth" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: That leaves us with what in the CIP?

Ms. Yukimura: The other half.

Chair Furfaro: How much? Three (3) minute recess.

There being no objections, the Committee recessed at 2:58 p.m.

There being no objections, the Committee reconvened at 2:59 p.m.

Chair Furfaro: Just for clarity for everybody, in the bond account that leaves fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) and Councilwoman, you want the floor for the bond and you have the floor.

Ms. Yukimura: I was going to suggest an additional using the remaining moneys for two (2) or three (3) additional bus stops. As you will recall there are eight (8) in the budget right now, but there are forty-one (41) that still need to be done. The Transportation Manager said she would apply for Tiger Moneys which are Federal moneys. She will be applying for one million dollars (\$1,000,000) and there is no guarantee she will even get half of that. That is the proposal.

Ms. Yukimura moved to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828), seconded by Mr. Hooser.

Chair Furfaro: The proposal is to use the balance of the moneys, fifty-nine thousand eight hundred twenty-eight dollars (\$59,828), to add additional upgrades to the bus stops. Second from Mr. Hooser. Mr. Bynum, you have the floor.

Mr. Bynum: As much as I love the idea of building more bus stops than we planned, I think I am going to vote against this because we have the opportunity to move some of the General Fund CIP into the remaining fifty-nine thousand dollars (\$59,000) and we are going to need that General Fund money. I assume some Councilmembers are look at some of the same adds that I am. They are not huge. But they are important and I do not want us to not have any funds available. Also, I am looking to try to find funds for the proposal that Councilmember Nakamura put forward. Rather than do the bus stops, I would rather free up money in the General Fund for some of these other things to make sure we can accomplish them. I will vote against these and if it does not go, I will move to free up more General Fund moneys for things that we may need to do before the end of this process.

Chair Furfaro: Just a housekeeping item so the staff can be prepared. As we continue this dialogue, I want to make sure we are able to identify what we have left in the CIP funds, not the bond funds, but the CIP funds based on the fact that earlier we moved operational moneys to the CIP. Transportation that should have freed up more money for us on the regular CIP. Just wanted to make that housekeeping announcement. Mr. Hooser.

Mr. Hooser: It is my understanding that we have how much money left?

Mr. Bynum: Fifty-nine thousand eight hundred twenty-eight dollars (\$59,828).

Mr. Hooser: We could only move that amount over?

Mr. Bynum: That is correct.

Mr. Hooser: So, we could not move that amount over?

Mr. Bynum: Yes.

Mr. Hooser: And the use that for General Funds?

Mr. Bynum: Yes.

Mr. Hooser: What item is that?

Mr. Bynum: It would come from Kapa'a New Fire Station at forty-nine thousand seven hundred fifteen (\$49,715) and then a portion of the security renovations at the Mayor's Office. So, it leave some in the Bond Fund, but take out the difference of that one item that would free up fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) in the General Fund for things that I think are essential. I will mention one, to fund the YWCA. Every year the proposal is to reduce it. Every year this Council puts the funds back. I assume we will do that again this year, but we have to have the funds to do it. That is one example.

Ms. Nakamura: I have a procedural question and I think this is for Ernie or for the Finance Director. Procedurally, can we do that? We can move the CIP Bond Fund to the CIP General Fund.

Mr. Bynum: No, from General Fund to Bond Fund.

Chair Furfaro: Similar to what Mr. Hooser did.

Mr. Bynum: That will free that money in the General Fund for things like technological centers that cannot use the Bond Fund.

Ms. Yukimura: Mr. Chair?

Chair Furfaro: Housekeeping item first. Jade, we did move with a motion and vote, we did move that money to CIP bond?

Ms. Fountain-Tanigawa: The five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485)?

Chair Furfaro: The five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485).

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: We voted on that, right?

Ms. Fountain-Tanigawa: We need to take a vote on that.

Chair Furfaro: We need to still do that. I will call for that now which then will let us have the money in regular CIP? I want to do that first, so we do not get confused. As you know, what we did by moving operational items and the bus issues we were moving five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485), is that the correct item?

Ms. Fountain-Tanigawa: Yes, it is.

Chair Furfaro: I need a motion and second on that first.

Ms. Yukimura: Question, Mr. Chair?

Chair Furfaro: If you do not want to make the motion, you do not have the money to spend.

Mr. Hooser moved to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) to the Operating Budget, seconded by Mr. Kagawa.

Chair Furfaro: Thank you.

Ms. Yukimura: Point of inquiry.

Chair Furfaro: Yes.

Ms. Yukimura: I have proposals for the CIP Highway Fund to turn some of them into operating moneys for the bus. Are we now removing that?

Chair Furfaro: Jade, would you take time to explain what we did? Let the Clerk explain what we did, so there is no confusion here.

Ms. Fountain-Tanigawa: The five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) came from the Operating Budget Transportation Agency, page 207 salaries for bus drivers and the associated benefits. That was moved to the Highway Fund that is reflected there and that is what the Chair is asking for a vote.

Chair Furfaro: That is what I am asking to vote upon.

Mr. Bynum: I thought we did that already.

Chair Furfaro: We did not vote. I am sorry, I am going to take five (5) minutes again.

There being no objections, the Committee recessed at 3:07 p.m.

There being no objections, the Committee reconvened at 3:30 p.m.

Chair Furfaro: Steve, I want to give this a little clarity so people understand what we are voting on. I would like you to either agree with my presentation or not right after I make it. We have a General Fund operating budget that we took from Transportation on page 207, five hundred sixty-five thousand dollars (\$565,000) and we moved to the operating budget Highway Funds. Do you agree with that?

There being no objections, the rules were suspended.

Mr. Hunt: Yes.

Chair Furfaro: We then took Highway Fund CIP and transferred five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) to Operating Budget leaving us with nine hundred eighty-two thousand dollars (\$982,000) needed to cover the cost of revenue due to the Motor Vehicle Weight Tax Bill that did not pass. Nine hundred eighty-two thousand dollars (\$982,000). I am sorry. I will give you all a copy of my notes here. Then from the transfers to the piece we got a credit of five

hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) as a transfer against that nine hundred eighty-two thousand dollars (\$982,000) leaving us chasing four hundred sixteen thousand dollars (\$416,000) in the Highway Operating Fund.

Mr. Hunt: I would say just in the General Fund operating fund.

Chair Furfaro: General Fund, I am sorry.

Mr. Hunt: Correct.

Chair Furfaro: Leaving us at the end of the day, as we stand right now, we have a shortfall to find in all funds actually seven hundred sixty-seven thousand nine hundred thirteen dollars (\$767,913) in all funds reflected in the Operating Budget primarily due to the shortfalls in solid waste due to tipping fees.

Mr. Hunt: Yes, I agree with that.

Chair Furfaro: You would agree with what? So, you would agree with what I have here? I am going pass this out. Now just for everybody's general information, when we get an opportunity to talk about adds, I have a proposal here that would add, based on some reconciliation I did with you this morning and it is refined from my earlier memorandum and some revenue that needs to follow with a Bill for July 1, for the golf course, I will say we have the potential of adding nine hundred fifty-two thousand eight hundred sixty-eight dollars (\$952,868). I will say that again, nine hundred fifty-two thousand eight hundred sixty-eight dollars (\$952,868) which leads us approximately ninety thousand dollars (\$90,000) worth of wiggle room if we took a photo like now. Based on that, that is what we are chasing. But we are close to having a balanced Operating Budget. Would you concur with that?

Mr. Hunt: Yes, and I am assuming that nine hundred fifty-two thousand eight hundred sixty-eight dollars (\$952,868) includes the balance that we talked about in the unassigned.

Chair Furfaro: Yes, it includes the revisiting of seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) and one hundred seventeen thousand dollars (\$117,000) for the golf course.

Mr. Hunt: Correct.

Chair Furfaro: That is where that nine (9) comes from. But we have not had that discussion yet. Now Steve, do you mind if I allow members to ask you questions since you have my worksheet in front of you and I am going to pass out my worksheet. Go ahead, JoAnn. It is handwritten and Xeroxed. Yes, you have the floor and you can direct the questions to Steve.

Ms. Yukimura: This is all assuming that we would vote to move the five hundred sixty-five thousand dollars (\$565,000) from the Operating Budget?

Chair Furfaro: That is right.

Ms. Yukimura: To the Highway Fund. It is like a proposal, not something that is legal?

Chair Furfaro: Well, let me clarify that. We have been acting as if we voted and what this thing started with, I wanted to say did we have a vote? We have not had a vote. I am saying that the first action that we do here, we will take a vote. If you want to vote "no" against it JoAnn, then vote "no" against it.

Ms. Yukimura: I just want to say that because we were just working on CIP, I was not making the proposals for the operating additions and what I wanted to do was to take some of that five hundred sixty-five thousand four hundred eighty five dollars (\$565,485) savings in CIP and move it into an operating add for the bus.

Chair Furfaro: I understand that. What I am saying when I start to propose additional revenues, there will be a balance in the Operating Budget.

Ms. Yukimura: But we have to agree on those additional revenues

Chair Furfaro: I agree we have to agree.

Ms. Yukimura: I am feeling a bit sort of like, we are making assumptions of what will happen subsequently that has not yet happened.

Chair Furfaro: Let us make sure we understand it. You are making an assumption on what the Chair is presenting who is trying to get to a vote. I will say it again, if you do not want to vote on the five hundred sixty-five thousand dollars (\$565,000) the way it is lined up, you vote "no." But the reality is we cannot go on without taking a vote on that transferred. I am going to recognize Steve. Steve, go ahead.

Mr. Hunt: Thank you, Chair. Just so you are all clear too, the money is currently cleared up in the Highway Fund. It is not available General Fund yet and unless you are supplanting dollar for dollar and moving moneys that are going to cover Transportation operations, then you get dollar for dollar opening up in General Fund. If you supplant less than that, then there is say balance in Highway Fund and can only be used for Transportation or roads. It cannot be used for general. If you are trying to get, as much as you can in the General fund, you would likely try to leverage that to get as much as you can in Transportation.

Chair Furfaro: And that is how we started out with this whole transfer, so that we would have more money in General Fund

Ms. Yukimura: Yes. But for some of us, we want to use, at least right now, the surplus or savings in the Highway Fund for some Highway Fund or transportation purposes. The reason why this discussion is important is because the alternative to not voting to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) to the General Fund from the Highway Fund is to pass a portion of it to the General Fund, but not all. I think that is what you were saying.

Mr. Hunt: No. Well, my concern is if you do not move the operational expenses and transportation to be covered by the Highway Funds, the balance of whatever you left only in Highway Funds. You cannot use it for General Fund purposes.

Ms. Yukimura: Understood.

Mr. Hunt: You still have a running total of within the operating of four hundred sixteen thousand dollars (\$416,000) that you need to carve out, if you will, to cover. Before you get to the adds, you still need to at least cover and Chair Furfaro's plan covers and potentially opens up about ninety thousand dollars (\$90,000). Beyond that you are going to have to have other cuts or revenues to get more. There may be additional revenue proposals that I am not aware of. But you cannot start expanding and adding until you covered the existing obligations, if you will, in the operating.

Ms. Yukimura: If you want to talk about revenues, I mean, one option is to reconsider the Motor Vehicle Weight Tax and raise it by twenty-five cents (\$0.25) instead of one dollar (\$1) that was proposed, get some revenue there, and then figure out how to make up the rest of the loss. The same thing with the solid waste fees that we need. We do not have to make that big a jump, but we can make a small increase.

Chair Furfaro: That is the first I am hearing of that, Steve. You already reconciled and agree with what I have done so far?

Mr. Hunt: Yes.

Chair Furfaro: That discussion is amongst members. The Councilwoman can make a proposal to do that. All I want to do is get us to a point that we needed to realize on that transfer that we did earlier.

Ms. Yukimura: Can I just ask one more question?

Chair Furfaro: Yes, go ahead.

Ms. Yukimura: In this sheet it says at the end, with all the 1, 2, 3, 4 steps we still have to find seven hundred sixty-seven thousand nine hundred thirteen dollars (\$767,913) in all funds in the Operating Budget.

Chair Furfaro: Unless you agree with what I will propose when we get to revenues which is nine hundred fifty-two thousand eight hundred sixty-eight dollars (\$952,868).

Ms. Yukimura: Perhaps we should at least hear about that so we can at least begin to think in our own minds how feasible it is as an option.

Chair Furfaro: I will give a real quick synopsis and then I will wait until it gets on the agenda. After going over the details that I covered in my memorandum today, I have identified an estimated remaining unassigned revenues of seven hundred seventy thousand five hundred seventy-two dollars (\$770,572). That piggy-backed with a modest increase in the golf course which is losing one million one hundred dollars (\$1,100,000), I am asking that we consider, and I need the five (5) votes for this JoAnn because it is basically a two dollars (\$2) round of golf increase and a marketing plan that adds about forty-nine thousand dollars (\$49,000) in the year for picking up three (3) visitor guests a day at the rack-rate. That will give us one hundred seventeen thousand dollars (\$117,000). The hundred seventeen thousand dollars (\$117,000) plus the seven hundred seven thousand dollars (\$770,000) is what is going to give us nine hundred fifty-two thousand eight hundred sixty-eight dollars (\$952,868). When that is done, we will



about nine thousand dollars (\$90,000) or one hundred thousand dollars (\$100,000) leftover still. Chair will recognize Mr. Hooser.

Mr. Hooser: Thank you, Chair and I appreciate the work and all the effort. It is an arduous process, there is no doubt. And my main objective is to get us to the blackest end first. There was some discussion, I believe yesterday or recently, about the unappropriated surplus. I think the Administration may have mentioned there had been – it is called different names and I apologize.

Chair Furfaro: It is called by Resolution, it is called an Emergency Fund which identifies two million six hundred thousand dollars (\$2,600,000) which is held in reserve for four (4) types of emergencies.

Mr. Hooser: Right. But I think above and beyond that there is expected to be ten million dollars (\$10,000,000) or twelve million dollars (\$12,000,000) that comes from 2014 budget unspent, is that correct?

Mr. Hunt: You are referring to the – I am sorry, I need to be recognized.

Chair Furfaro: You can be recognized and that is money that you told us you were going to carry over for next year's budget?

Mr. Hunt: Correct. What it is, is it is actually the Fiscal 2013 estimated lapse currently estimated at ten million four hundred thousand dollars (\$10,400,000) and that had been termed as unappropriated surplus. Again, with our discussions with the external Auditors we were advised that we should not, but no cannot, but should not be budgeting that unless you have an actual fund balance to cover that. The fund balance that we are talking about is the unassigned fund balance which is actual money that we have on deposit which is being used for budgeting and the remainder is seven hundred seventy thousand five hundred seventy-two dollars (\$770,572).

Chair Furfaro: Which is the amount I mentioned right now that we have agreed on?

Mr. Hunt: Correct, which would be appropriate for the budget and there is an additional two million six hundred thousand dollars (\$2,600,000) and change called Committed Reserve and that is for emergency disaster.

Chair Furfaro: JoAnn, I will give you the floor one more time. I want to get to the vote on this pieces and I also want to tell you, I think I have done my part finding nine hundred eighty-five thousand dollars (\$985,000). Go ahead.

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Yukimura: Chair, it would probably be an alteration of our process. But I was wondering if it would be helpful for everybody to just put all of theirs adds on the table now so we can who is proposing what and how much they add up to. It would give me a little bit more comfort in knowing whether this process would cover all of our needs.

Chair Furfaro: If you want to put a wish-list up, we will put a wish-list up. But that is what it is. I think it is better. The next step is to find out what revenues to add so you know how big the pot is versus here is the wish-list. I mean that is the way I set it up that way. Now I can tell you that I have, and I will put it over here, I have another thirty-eight thousand dollars (\$38,000) that is in Contingency Funds from CIP that we can put on the side. I also have a challenge across the board, all Departments, I want a one percent (1%) decrease in energy, adds another forty-five thousand dollars (\$45,000). I also want to ask you to consider lowering our Workers' Compensation Premium nineteen thousand dollars (\$19,000) or challenge the Department Heads to three percent (3%) improvement over the premium. That is another eighty-one thousand dollars (\$81,000) that I am proposing in addition to the nine hundred eighty-five thousand dollar (\$985,000). I would like to discuss adding those revenues by one. The only one I am cautious on is the bid for the insurance. But that is across the board. We have got to put some incentive out there for the Department Heads to start realizing how serious it is to improve our Workers' Compensation index rate and we do by committing to a lower premium. That is how I see it. That is the discussion. I will be coming up with about one million forty-five thousand dollars (\$1,045,000) of moneys here when we get to that. Yes, Mel?

Mr. Rapozo: I am not sure if I may have dozed off at some point, but is the motion not on the table on the bus stops?

Ms. Yukimura: Yes.

Mr. Bynum: Yes.

Mr. Rapozo: I believe, is that not what is on the table?

Chair Furfaro: Here is what happened Mel. A motion was on the bus stop to put some more bus stops in, more than the fifty-nine thousand dollars (\$59,000). But I put up the red-flag and said we spent that money except fifty-nine thousand dollars (\$59,000).

Mr. Rapozo: Right. It was fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) that left fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) in the CIP Bond Fund. There was a motion to put the remaining fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) towards bus stops.

Chair Furfaro: Then I interceded by saying, "Folks we have not voted on the five hundred sixty-five thousand dollars (\$565,000) that we transferred and can we get that cleaned up before we start adding more," and that is where we are at.

Mr. Rapozo: I guess I would just ask that we take care of that bus stop motion because I should have said this earlier, but I was just letting it go. We need to deal with that motion if whoever made the motion to withdraw it to go somewhere else.

Chair Furfaro: The reason we got where we are at, JoAnn wanted more money that was left. So, I said let us vote on where we are at and if you do not want to vote for that JoAnn, you can vote "no." Now we are into all of these other explanations.

Mr. Rapozo: I think when we started this process, we were going to go into the cuts and then go to the CIP. Then at this point, we are still in the CIP. We can dispose of that item and get into the revenues.

Chair Furfaro: That is my plan.

Mr. Rapozo: Then hopefully get out of here because like you said, Mr. Chair, everyone has a right to vote the way they want to. But if not, we are not going to.

Ms. Yukimura: Mr. Chair?

Chair Furfaro: Yes.

Ms. Yukimura: I think the discussion about the fifty-nine thousand dollars (\$59,000) began to raise the questions of the big-picture and our needs from the General Fund operating and that is why we moved to this to try to see the big picture. I do not mind if we formally defer this to seeing the big picture first and then going back to it.

Mr. Rapozo: I will call for the question, Mr. Chair. I want to vote on the bus stop issue now. I want to vote on and let us get it over with and then we can get into your revenue enhance.

Chair Furfaro: That is the next item. I have a second to call for the vote.

The motion to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) was then put, and carried by the following vote:

FOR APPROVAL: Rapozo, Yukimura, Furfaro	TOTAL – 3,
AGAINST APPROVAL: Bynum, Kagawa, Nakamura	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Hooser	TOTAL – 1.

Mr. Kagawa: Did it pass?

Chair Furfaro: Let me get the call.

Ms. Fountain-Tanigawa: 4:3. Councilmember Hooser was silent.

Chair Furfaro: It fails, you need a fifth vote.

Mr. Rapozo: Somebody has to reconsider.

Mr. Rapozo moved to reconsider the motion to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828), seconded by Mr. Hooser.

Chair Furfaro: Call for the vote again, please.

Ms. Fountain-Tanigawa: Councilmember Bynum?

Mr. Bynum: I am sorry. I do not know what I am voting for.  
Chair Furfaro: Fifty-nine thousand nine hundred eleven dollars (\$59,911) is the number that is out there. There is a vote to reconsider that vote. Do you want to reconsider? He is a "no."

The motion to reconsider the motion to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) was then put, and carried by the following vote:

FOR RECONSIDERATION: Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST RECONSIDERATION: Bynum, Nakamura	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: We only need a 4:3 vote on the reconsideration, not on the item. I just want to make sure everybody understand that.

Mr. Rapozo moved to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828), seconded by Mr. Kagawa.

Chair Furfaro: I have a motion and second. Mr. Bynum, you have the floor.

Mr. Bynum: We already have funding for bus stops. This is to add a couple. I really would ask the Council to not accept this motion because we need these funds elsewhere. We can move this into General Fund by making the moves that I suggested and so do we want two (2) new bus stops or do we want to fund some of the proposals like the Technological Center that really has legs and has motion and the Administration is ready to move on or two (2) more bus stops? It does not make sense to me, so I am voting no.

Chair Furfaro: Okay, you are voting "no." JoAnn.

Ms. Yukimura: I recognize the frustration of Mr. Bynum and that is why I wanted to defer it to get the big picture and make sure that all of our priorities are first met. Ours meaning whatever gets five (5) votes. But because it was called to a vote I am voting for it.

Chair Furfaro: Call for the vote.

The motion to increase funding for "Sheltered Bus Stops Design & Construction" in the amount of fifty-nine thousand eight hundred twenty-eight dollars (\$59,828) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Bynum, Nakamura	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 5:2.

Chair Furfaro: 5:2. There is no more allocation left for the CIP. But let us go back to the original piece here on the Highway Fund transfers.

Ms. Fountain-Tanigawa: This is the five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485).

Mr. Kagawa moved to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) from Highway Fund CIP to contribution To/From CIP, seconded by Mr. Rapozo.

Chair Furfaro: Discussion? JoAnn.

Ms. Yukimura moved to amend the motion to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) from Highway Fund CIP to contribution To/From CIP to reduce the transfer amount by one hundred forty-two thousand dollars (\$142,000) with a remaining balance of four hundred twenty-three thousand four hundred eighty-five dollars (\$423,485), seconded by Mr. Hooser.

Chair Furfaro: Discussion on the amendment? Yes? We should get a discussion from the person who made it and then I will give you the floor, Mr. Kagawa. Rationale for the move?

Ms. Yukimura: I would like to be able to fund the Fiscal Year 2015 proposal from the Transportation Agency which is a proposal to remove the congestion on peak hour routes. We were told that if there is a baseyard check-in facility and funding for additional mainline routes, the congestion could be removed by the end of this year. We are presently in such of a terrible bind in terms of providing needed services I see it almost as a crisis that needs to be addressed.

Chair Furfaro: Go ahead, Mr. Kagawa.

Mr. Kagawa: Thank you, I will not be supporting the amendment. I thank Councilmember Hooser for the brilliant move of finding these moneys to offset the money we are still in the red. Using Chair Furfaro's assumptions on the surplus, we now find ourselves in the black a little bit. We have some moneys to play with, but I think taking out one hundred forty-two thousand dollars (\$142,000), it may hurt us in the long run as we try to end up with a balanced budget. Let us deal with the additions, her requests when the Transportation Department comes up in our additions. Thank you.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: Gosh, this is complicated because we just spent sixty thousand dollars (\$60,000) to add two (2) bus stops. This thing is much more important. I mean for us to know our buses are full and people are standing and not to move expeditiously to correct that is very short sighted. Half the people use the bus because they have to and other half are choosing to. We are going to lose those people who are choosing and it will undermine our whole transportation plan that we all voted on. As difficult as this is for me to support this, if this is the way we have to find the funds to make sure that those additional commuter routes get added this year, I am going support it.

Mr. Rapozo:

Mr. Chair?

Chair Furfaro:

Mr. Rapozo?

Mr. Rapozo: Thank you, Mr. Chair. I will not be supporting this. I do not think it is short sighted at all. I think that the transfers need to be made. I know Councilmember Yukimura has had a lot of discussions with the Transportation Department. I am not satisfied that I received the plan from them as far as expansion and additional routes. I did see the one (1) page spreadsheet that was submitted last week. But I have not yet been given a plan that I believe is substantially enough for me to approve funding at this time. We can address this again in the next fiscal year. Should the plan in my opinion be sufficient I will definitely support a Money Bill, but at this point I am not satisfied that that plan exists. Thank you.

Chair Furfaro:

Further discussion, if not, I will ask for the vote.

Ms. Fountain-Tanigawa:

This is on the amendment.

The motion to amend the motion to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) from Highway Fund CIP to contribution To/From CIP to reduce the transfer amount by one hundred forty-two thousand dollars (\$142,000) with a remaining balance of four hundred twenty-three thousand four hundred eighty-five dollars (\$423,485) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Nakamura, Yukimura  
AGAINST APPROVAL: Kagawa, Rapozo, Furfaro  
EXCUSED & NOT VOTING: None  
SILENT: None

TOTAL – 4,  
TOTAL – 3,  
TOTAL – 0,  
TOTAL – 0.

Chair Furfaro: I want to say that I had hoped to find enough money as I have already spilled my challenges out to you. I found one million thirty-seven thousand dollars (\$1,037,000) and certainly if you folks had voted to support that, there would have left a little wiggle room. I am going to vote on this as “no.”

Ms. Fountain-Tanigawa:

4:3.

Chair Furfaro:  
as amended.

The amendment passes. Go to the main motion

Ms. Fountain-Tanigawa: This is now to transfer four hundred twenty-three thousand four hundred eighty-five dollars (\$423,485).

Ms. Yukimura:

Point of order.

Chair Furfaro: You want clarification. The motion to amend passed so we are going to the main motion. That is the net difference that is left to balance the five hundred sixty-five thousand dollars (\$65,000).

Ms. Yukimura:

That is correct. I am sorry.

Chair Furfaro: We will be out of balance again and we will start over. So, state the motion again so we all understand it, Jade, please.

Ms. Fountain-Tanigawa: This is to reduce one hundred forty-two thousand dollars (\$142,000), leaving four hundred twenty-three thousand eighty-five dollars (\$423,485) as the transfer amount.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: Yes, discussion.

Mr. Rapozo: Is there a plan to bring that Highway Fund into balance?

Chair Furfaro: It is a real question.

Mr. Rapozo: Now we are out of balance and we that was the whole purpose of me trying to get through the CIP Bond Fund so that we can start locking down these funds. We cannot pursue or proceed with an unbalanced CIP Highway Fund.

Chair Furfaro: Understood, your comment is well taken.

Mr. Rapozo: That is why I agreed with the transfer and I am assuming that you need five (5) votes to pass this transfer?

Chair Furfaro: Yes.

Mr. Rapozo: If we do not, I would suggest that we...

Ms. Yukimura: Can we ask for a five (5) minute recess?

Chair Furfaro: We are in recess for five (5) minutes.

There being no objections, the Committee recessed at 3:59 p.m.

There being no objections, the Committee reconvened at 4:04 p.m., and proceeded as follows:

Chair Furfaro: Back to the table, members. We have an amendment that passed.

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: Now we are to the support on the five hundred sixty-five thousand dollars (\$565,000) transfer, right?

Ms. Fountain-Tanigawa: Which was four hundred twenty-three thousand dollars (\$423,000).

Chair Furfaro: The way it was proposed you would take that out and end up one hundred forty-two thousand dollars (\$142,000) less, right?

Ms. Fountain-Tanigawa: Yes.

Chair Furfaro: I am as I said not going to support that because I have other proposals for revenues to look at and where are we at on amendment? The amendment failed?

Ms. Fountain-Tanigawa: The amendment passed.

Chair Furfaro: Vice Chair wants to reconsider her vote.

Ms. Nakamura moved to reconsider the amendment to transfer four hundred twenty-three thousand four hundred eighty-five dollars (\$423,485) from the Highway Fund CIP, seconded by Mr. Kagawa.

Ms. Yukimura: On the amendment, right?

Ms. Nakamura: Yes.

Chair Furfaro: On the amendment.

Ms. Nakamura: Just so that we can just consider the full amount within the General Fund.

Ms. Fountain-Tanigawa: This is a vote on the reconsideration?

Chair Furfaro: Yes, please.

The motion to reconsider the amendment to transfer four hundred twenty-three thousand four hundred eighty-five dollars (\$423,485) from the Highway Fund CIP was then put, and carried by the following vote:

FOR RECONSIDERATION: Bynum, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
AGAINST RECONSIDERATION: Hooser, Yukimura,	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: We have four (4) votes for the reconsideration.

Ms. Fountain-Tanigawa: 5:2.

Chair Furfaro: Oh, it is 5:2.

Ms. Fountain-Tanigawa: The original amount was five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485).

Ms. Nakamura moved to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) from Highway Fund CIP, seconded by Mr. Rapozo.

Chair Furfaro: We have a motion and a second.

Mr. Bynum: Can you clarify the motion?



Ms. Nakamura: That the five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) gets transferred to the General Fund.

Mr. Bynum: Thank you.

Ms. Yukimura: That is already the motion on the floor.

Chair Furfaro: I heard it from that corner. Excuse me, Nadine, restate the motion, please to the Clerk's Office.

Ms. Fountain-Tanigawa: This is to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) to the Operating Budget Highway Fund.

Chair Furfaro: That is the motion and it has a second, call for the vote.

The motion to transfer five hundred sixty-five thousand four hundred eighty-five dollars (\$565,485) from Highway Fund CIP was then put, and carried by the following vote:

FOR APPROVAL: Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 4,
AGAINST APPROVAL: Bynum	TOTAL – 1,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Hooser, Yukimura	TOTAL – 2.

Ms. Fountain-Tanigawa: 6:1.

Chair Furfaro: 6:1 is vote. So, that piece of business is behind us. I think we are done with CIP. Now I would like to go to the revenue cycle on adding revenues. JoAnn?

Ms. Yukimura moved to add one hundred forty-two thousand dollars (\$142,000) for the Bus.

Chair Furfaro: This portion is adding revenues. Then we will add expenses, if we have moneys available.

Ms. Yukimura: Oh, adding revenues?

Chair Furfaro: Adding revenues.

Ms. Yukimura: I am sorry. I do not need to do that.

Ms. Yukimura withdrew her motion to add one hundred forty-two thousand dollars (\$142,000) for the Bus.

Chair Furfaro: I have several proposals that I would like to put on the floor. Do other members have proposals for revenues?

Mr. Rapozo: Mr. Chair?

Chair Furfaro: Yes.

Mr. Rapozo: May I suggest that you transfer the Chair to me so you can be the maker of the motion as opposed to try to get someone to understand your motion and explain your motion. I promise I will not run wild with the Chairmanship. But I am just trying to get through this day.

Chair Furfaro: For the revenue cycle I would like to transfer the Committee of the Whole to Mr. Rapozo. I have four (4) proposals to put on the table for revenues.

Chair Furfaro, the presiding officer, relinquished Chairmanship to Mr. Rapozo.

Mr. Rapozo: Thank you, Mr. Chair. I would suggest if you could explain your four proposals. I think we got the gist of it through the last several hours and then we can take it up one at a time. Before we start, Mr. Bynum.

Mr. Bynum: I just have a quick process question. I have a tax rate proposal.

Chair Furfaro: We will go to tax rates after.

Mr. Bynum: That will generate a little bit more revenue, not much more.

Chair Furfaro: We are going to go to tax rates after this.

Mr. Rapozo: Mr. Chair.

Chair Furfaro: The first one I would like to say is that you have a comparison sheet that I sent out earlier on the municipal golf courses comparing us we are conservative, if we add approximately two dollars (\$2) to all of our rounds and we depend on the money in Economic Development with George to secure additional rack rates revenues from visitors approximately three (3) additional rounds a day, along with the increases on Kama'aina rate from fifteen dollars (\$15) to seventeen dollars (\$17) and seniors from twelve dollars (\$12) to fourteen dollars (\$14), that will generate an additional one hundred seventeen thousand fourhundred eighty-one dollars (\$117,481). There may not be copies for everybody over here, but I am going to talk without mine. I thought I sent them out.

Ms. Yukimura: Could we have a copy, please?

Chair Furfaro: Yes, I will continue my discussion and make copies for everyone. Do we have copies for everyone? Down in this corner here, you see the total increases here, forty-nine thousand two hundred seventy-five dollars (\$49,275) comes from new resident rounds of three (3) a day. I would like to make that motion, if I can get a second.

Mr. Rapozo: What was the motion, Mr. Chair?

Chair Furfaro: The proposed rates on the sheet here which average about two dollars (\$2) a round. This is a blended rate that appears right now.

Chair Furfaro moved to increase revenue for Wailua Golf Course by one hundred seventeen thousand four hundred eighty-one dollars (\$117,481) and decrease contribution from General Fund by one hundred seventeen thousand four hundred eighty-one dollars (\$117,481), seconded by Ms. Nakamura.

Ms. Yukimura: Point of inquiry.

Mr. Rapozo: Go ahead.

Ms. Yukimura: Now can we raise...

Mr. Rapozo: I think I have the same question you do. But I will let you ask.

Ms. Yukimura: Can we just raise the rates by approving this?

Chair Furfaro: No, I said earlier when I got into this that I would like the five (5) votes and know that I have them to introduce a new rate Ordinance that we would vote and discuss on. I would hope that if you vote to support this and help offset the one million one hundred thousand dollars (\$1,100,000) loss. Your vote I can count on when we do the rate increases.

Mr. Rapozo: Maybe Ricky can correct me. I do not think we can approve the rates. But I believe we can approve.

Chair Furfaro: Approve the budget.

Mr. Rapozo: Correct, of the revenue.

Chair Furfaro: You can approve the revenue section and that is why I broke it down to one hundred seventeen thousand dollars (\$117,000).

Mr. Rapozo: Your motion is really to increase the revenue portion of Wailua Golf Course by one hundred seventeen thousand four hundred eighty-one dollars (\$117,481)?

Chair Furfaro: Yes.

Mr. Rapozo: That is the motion.

Chair Furfaro: That is the motion.

Mr. Rapozo: This sheet is really to show us the intent. The bottom line if we pass this, then we will have to push for revenue enhancements at the golf course. But keep in mind with the changes at the golf course and acceptance of credit cards, I think the rounds will increase. But we can discuss that at that time. Any other discussion or questions? Mr. Kagawa.

Mr. Kagawa: I see the rates all going up, while the daily rate – the place that we are really taking a big loss and I will probably get a lot of heat for this is the monthly rate, the monthly cards. For example, it is sixty dollars (\$60) for a resident for the seniors it is I do not know twenty-five dollars (\$25) and even if I played five (5) times a

round, that is five (5) divided by sixty dollars (\$60) is twelve dollars (\$12) a round. It is where it is really being used a lot because a lot of people play more than five (5) times a round. I would suggest that we look at the monthly rates helping a little bit, but I totally support Chair Furfaro and I appreciate his worksheet. I think we can play a round with the rates including the monthly cards and we can come out to the one hundred seventeen thousand dollars (\$117,000) figure. I would like to put in my opinion later when we reach the Money Bill. Thank you.

Mr. Rapozo: Thank you.

Chair Furfaro: May I clarify?

Mr. Rapozo: Sure.

Chair Furfaro: I want to make sure because I have George and Lenny in the back. We have had a falloff in revenue, regardless of what the rates and all I am proposing here is when we have the restaurant operational, when we have the pro shop operational, when we have some amenities added to the shop for golf balls and so forth, when we have a credit card for easy charging and so forth, I do not see why we cannot at this time project another one hundred thousand dollars (\$100,000) worth of revenue. I have the history of this and you all have it from a piece that I did for you several years ago. Revenues are falling because we are lacking amenities. Thank you.

Mr. Rapozo: Thank you. Any other questions? If not, go ahead, Mr. Bynum.

Mr. Bynum: I think my main question got answered because we cannot put funds in the budget on a Bill that has not passed. But we are just estimating the revenues higher.

Mr. Rapozo: Correct.

Chair Furfaro: Yes.

Mr. Bynum: Which I think we can do. If we cannot get those revenues, the Administration will have to come back to deal with the shortfall in the fund. The challenge is on to find that revenue if we pass this.

Mr. Rapozo: Correct, the challenge will be on this body as well as the Administration of coming to an agreement of how we will attain that. But I think it is a fair proposal. Like you said, Mr. Chair, the restaurant, the pro shop, and all of these amenities will be coming online. We should be in good shape. Any other questions for the Chair? If not...

Chair Furfaro: You can also look at this schedule, and compare us to other municipals. For example, Ala Wai, on weekends the Kama'aina rate is twenty-eight dollars (\$28) at the Ala Wai. We have a course that is five (5) times better than the Ala Wai and we are only asking for twenty dollars (\$20).

Mr. Rapozo: Roll call vote, please.

The motion to increase revenue for Wailua Golf Course by one hundred seventeen thousand four hundred eighty-one dollars (\$117,481) and decrease contribution from General Fund by one hundred seventeen thousand four hundred eighty-one dollars (\$117,481) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Mr. Rapozo: Thank you. Next item, Mr. Chair.

Chair Furfaro: Yes, I would like to, before I get to the reconciliation that we have on the fund balances, I want to talk about a couple other small ones. There is a need for to us have a reach and this is not new revenue. This is across the board tighter controls. I think we should set a goal to reduce our energy by one percent (1%). At least there is say a goal in the budget to give us forty-five thousand six hundred seventy-four dollars (\$45,674) additional.

Mr. Rapozo: Is that your motion?

Chair Furfaro: That is the motion that I would like to make.

Chair Furfaro moved to reduce electricity line items by one percent (1%), forty-five thousand six hundred seventy-four dollars (\$45,674), seconded by Ms. Nakamura.

Mr. Rapozo: The motion is to reduce all energy lines by one percent (1%). Seconded by Councilmember Nakamura. Any discussion? Mr. Bynum.

Mr. Bynum: This would be a number of different line items throughout the budget?

Chair Furfaro: Yes. It is not a line item, but across the board as a goal.

Mr. Bynum: Thank you.

Mr. Rapozo: Mr. Hooser.

Mr. Hooser: It seems like it is not aggressive enough. I do not know if we could do a two percent (2%).

Mr. Rapozo: You probably know this the actuals of energy this year, the budgeted versus actuals.

Chair Furfaro: I have it in my worksheet. It was a substantial amount especially covering the parks. But I want to amend my piece because I took out of savings at Kalepa in a housing permit. It should be forty-five thousand three hundred twenty-three dollars (\$45,323) at one percent (1%). Obviously, if you do that, one percent

(1%) in algebra is ninety-nine percent (99%) of the number. I have the worksheet downstairs.

Mr. Rapozo: I know Mr. Hooser still has the floor. But I thought I heard the Chair when he first talked about this last week at some point mention three percent (3%). I do not know if that is doable.

Chair Furfaro: Clarification, the three percent (3%) I mentioned was Workers Compensation. One percent (1%) was always energy.

Mr. Rapozo: I stand corrected. Mr. Hooser you still have the floor.

Mr. Hooser: I was thinking possibly two percent (2%). I am not sure how aggressive the County has been in reducing its electricity usage. But I imagine lots of computers and some of us, I will admit, forgetting to turn it off because the screen goes blank and leave it on. I do not know if two percent (2%) is reasonable. But if others feel so, we could possibly amend it, but I will leave it at that. Thank you.

Mr. Rapozo: Let me do this real quick, Mr. Kagawa. Ricky, as the County Clerk is two percent (2%) for our Office doable? It can be done. There you go.

Mr. Hooser moved to amend the motion from one percent (1%), forty-five thousand six hundred seventy-four dollars (\$45,674), to reduce electricity by two percent (2%), ninety thousand six hundred forty-six dollars (\$90,646), seconded by Ms. Yukimura.

Mr. Rapozo: Moved and seconded. The amendment is to double that to ninety thousand six hundred forty-six dollars (\$90,646). Any discussion on the amendment? I am sorry, Mr. Bynum.

Mr. Bynum: I am not going to support the amendment and I am very reluctant to support these kinds of budget things. We may cut our energy one percent (1%). Energy is closely tied to the cost of oil. The cost of oil is going up. I think it is just as likely we will end up fixing this problem later. These are the kind of things that I generally do not support. But because they are modest and because I want to fund some of the priorities that I mentioned recently, and this may be a way to do it, I will break that rule. But generally doing much of this is not a good way to budget in my opinion. But these proposals are modest.

Mr. Rapozo: Thank you. Mr. Chair.

Chair Furfaro: I want to say something. In the private world, if you are going to set a goal for something, you reflect the goal in the budget. This is a modest reach. This is reasonable. We have got our own people going to Green Team studies and we are spending money on solar and so forth. Two percent (2%) might be a reach and maybe I will support it. But one percent (1%), you need the message in the budget, we are serious about energy. We have allocated energy by Department. Now it is time to put the food to the pedal and hold people accountable for their energy management.

Mr. Rapozo: Mr. Kagawa.

Mr. Kagawa: Thank you, Mr. Chair. I am going to support going up to two percent (2%). I think it is a modest cut. It just surprises me the double talk about the concern of fuel prices and tax all of our residents with higher cost of fuel. They are all grumbling to me. I do not know if you are getting the same complaints. But it is just amazing how we are so reluctant to assess the impact to our County and to our residents out there who are all now paying for all of your votes. We do not care about them. So, it is just amazing.

Mr. Rapozo: Any other questions, comments?

Chair Furfaro: I want to make sure people are clear. I will support the one percent (1%), not the amendment. The purpose of supporting the one percent (1%) is fact that we need to put some reach in the budget.

Mr. Rapozo: Thank you very much. Roll call on the amendment the amendment is to two percent (2%) reduction, ninety thousand six hundred forty-six dollars (\$90,646).

The motion to amend the motion from one percent (1%), forty-five thousand six hundred seventy-four dollars (\$45,674), to reduce electricity by two percent (2%), ninety thousand six hundred forty-six dollars (\$90,646) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Rapozo, Yukimura	TOTAL – 4,
AGAINST APPROVAL: Bynum, Nakamura, Furfaro	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Mr. Rapozo: Motion passes and that will take us to the main motion as amended which will be two percent (2%) reduction, ninety thousand six hundred forty-six dollars (\$90,646). Roll call.

The motion as amended to reduce electricity by two percent (2%), ninety thousand six hundred forty-six dollars (\$90,646) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Mr. Rapozo: Thank you very much. Thank you, Mr. Chair.  
Your next item.

Chair Furfaro: I would like to make specific notice to the Public Works people, there is no extra work in the budget for any capital budgets. Therefore, I suggest we take out the thirty-eight thousand dollars (\$38,000) contingency.

Mr. Rapozo: Is that a motion?

Chair Furfaro moved to dollar fund "Project Contingency" & transfer to General Fund in Operating in the amount of thirty-eight thousand seven hundred ninety-six dollars (\$38,796), seconded by Ms. Nakamura.

Mr. Rapozo: Moved and seconded. The motion is to remove the...thirty-eight thousand seven hundred ninety-six dollars (\$38,796) contingency.

Chair Furfaro: Thirty-eight thousand seven hundred ninety-six dollars (\$38,796) contingency.

Mr. Rapozo: From Operating Budget, the General Fund? General Fund CIP.

Ms. Fountain-Tanigawa: General Fund CIP.

Mr. Rapozo: Any discussion? Go ahead, Mr. Bynum.

Mr. Bynum: My question is, that contingency could be used, it is in the General Fund so it could be used for Bond Fund projects as well, correct?

Mr. Rapozo: Steve or someone, I will suspend the rules.

There being no objections, the rules were suspended.

Mr. Hunt: At this time we do not know specifically what project that is tied to. It is a Public Works project and we are going to have to research to see if it can be supplanted by bond.

Mr. Bynum: May I?

Mr. Rapozo: Go ahead.

Mr. Bynum: My question Steve is, generally we have a line item for project contingency for CIP projects. Is there such an item in the bond fund? I do not think we can put a contingency in the bond, right?

Mr. Hunt: I cannot answer that question.

Mr. Bynum: I thought the contingency in the General Fund, even though we moved most things out of the other funds there are the two (2) we did not move. So, you probably do not need thirty-eight thousand dollars (\$38,000) to contingent those two (2). But I thought that contingency fund in the general could be used for contingency for bond funded project, if it is needed.

Mr. Hunt: According to Keith, it has to remain in the General Fund.

Mr. Bynum: Well, I am going support the Chair's proposal.

Mr. Rapozo: I was under the impression that in the Bond Fund, all these bond projects have a self-contained contingency built in. That is what I thought. Is that not true?



Mr. Hunt: You would have to speak – Larry can answer that.

Chair Furfaro: I can answer that. Generally, they do. But they can only be specifically for materials and construction bids not anything else.

Mr. Rapozo: Thank you. Thank you, Steve.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Rapozo: Any other discussion or questions for the Chair? If not the motion is to reduce project contingency by thirty-eight thousand seven hundred ninety-six dollars (\$38,796). Roll call, please.

The motion to dollar fund “Project Contingency” & transfer to General Fund in Operating in the amount of thirty-eight thousand seven hundred ninety-six dollars (\$38,796) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Mr. Rapozo: Thank you. I am looking at the page 6. It is thirty-eight thousand seven hundred ninety-seven dollars (\$38,797). But this could be the typo. Can you look up the actual budget line item for me?

Chair Furfaro: Maybe I should clarify this and I am sorry they voted on. But maybe we should have dollar funded it.

Mr. Rapozo: Well, I think we may have to redo it anyway.

Chair Furfaro: I think that is the dollar floating around. Is that the dollars that is floating around?

Ms. Fountain-Tanigawa: Yes, it is.

Mr. Rapozo: That is what the motion was, so we do not have to fix it. Next, Mr. Chair.

Chair Furfaro: This is my last one at this point. This is a large amount and we might want to have Finance come up and chat with us. I did some worksheets and Steve’s folks had some sheets done as well. We have an estimate remaining in the unassigned fund balance of seven hundred seventy thousand five hundred seventy-two dollars (\$770,572). I would like to make that motion that remaining money get assigned by making it available.

Chair Furfaro moved for the utilization of "Unassigned Fund Balance" in the amount of seven hundred seventy thousand five hundred seventy-two dollars (\$770,572), seconded by Mr. Kagawa.

Mr. Rapozo: Moved and seconded.

Ms. Yukimura: Excuse me, what exactly is the proposal?

Chair Furfaro: It is from reconciling my worksheets and Steve's. There is seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) in an unassigned fund balance as of right now, today.

Mr. Rapozo: This would be in the General Fund.

Chair Furfaro: Yes, General Fund. Mr. Hunt?

Mr. Rapozo: Mr. Hunt, Steve if you could come up, I will suspend the rules, please.

There being no objections, the rules were suspended.

Chair Furfaro: You heard my proposal. I did not know if we got a second.

Mr. Rapozo: There was a second and the rules are suspended Steve. If you could identify the line. Is there a line?

Mr. Hunt: No, it actually is fund balance that would be on balance sheet that is remaining in what we call the reserve, if you will, that would be moved from the balance sheet back into the Operational Budget. On the Budget Ordinance itself, we have eleven million two thousand dollars (\$11,002,000) and some change. That number would be altered to account for the seven hundred seventy thousand dollars (\$770,000).

Chair Furfaro: You have eleven million two thousand seven hundred forty-eight dollars (\$11,002,748).

Mr. Hunt: Right. You would seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) to that amount to zero it out the unassigned reserve. But just so you are all clear too, that means any Money Bill that comes between now and December we will not have fund balance, unless you want to address the two million six hundred thousand dollars (\$2,600,000) and change in there for emergency that is committed. That is our only reserve left.

Mr. Rapozo: Questions?

Chair Furfaro: I want to say one more thing.

Mr. Rapozo: Sure.

Chair Furfaro: I want to make sure that we understand, I am saying moving that money because CIP projects, Public Works and so forth, they need to be sure that the numbers we have been talking about are real and realistic.

Mr. Rapozo: Questions for Steve? If you have a comment, we can hold it until later. But if you have a question for Steve.

Mr. Bynum: I think he answered my question.

Mr. Rapozo: Mr. Kagawa, question?

Mr. Kagawa: I just got to talk to Mr. Honda who used work here. I was with Councilmember Rapozo and we got to talk to him a little bit this weekend. He has been watching the budget proceedings and he has indicated to us that in all of history, the same thing. When have we spent – Department by Department, up to every penny? Likely, there will be hundreds of thousands, if not close to one million dollars (\$1,000,000) in every Department that will be left at the end unspent. I mean, I know that we are relying on this actual number here on the screen, but do you think that there will be substantially more at the end?

Mr. Hunt: Again, I think when the CAFR is done and we have a balance that is certified, our current estimate is ten million four hundred thousand dollars (\$10,400,000). But depending on the amount of spending that occurs between now and end of fiscal, that could change or be variations to that. Keep in mind, too, that moneys in that reserve are going into the current budget. For Fiscal 2015, you will be starting point ten million four hundred thousand dollars (\$10,400,000) potentially less collective bargaining for units not accounted for in the budget.

Mr. Kagawa: That leads to the next question saying that Auditor's recommendation is for us not to assume or use any portion of those types of moneys in balancing our budget. However, realistically, there will be more. I am saying that if we are short, we have a backup plan. It may be against the Auditor's recommendation, however, in tough times I am sure we are not the only Government Agency that assumes some portion of unassigned or reserve.

Mr. Hunt: We are very mindful of that and I think the anticipation is not budgeting just for this year, but budgeting two (2) to three (3) years ahead of time and as that fund balance declines and if we are looking at utilizing against our Auditor's recommendation, any of that unappropriated surplus, we are kicking the can for things for Fiscal Year 2015 and then ultimately in 2016 as we are budget much closer to actual. Those surpluses that are now ten million dollars (\$10,000,000) may only be two million dollars (\$2,000,000) or three million dollars (\$3,000,000), we do not know.

Mr. Kagawa: I hate that term because kicking the can means the same size can. If we are dealing with a small amount under one million dollars (\$1,000,000) or five hundred thousand dollars (\$500,000), to me it is not kicking a large can down the road. It is kicking a realistic can that will be at the end. It is comparing apples and oranges sometimes when we refer to kicking the can. If you kick a can of ten million dollars (\$10,000,000) down the road then that is really kicking the can down the road. But kicking two hundred thousand dollars (\$200,000) or five hundred thousand dollars (\$500,000), to me that is not really kicking the can down the road. I guess terminology can differ. Thank you.

Mr. Rapozo: Thank you. Any more questions? Mr. Bynum.

Mr. Bynum: I just want to clarify. This means from July 1, we have no unappropriated surplus? We have no fund to go to?

Mr. Hunt: Not unappropriated surplus, incorrect term.

Mr. Bynum: I am sorry. I am the one who wants to get these terms right too. We have no unassigned fund balance?

Mr. Hunt: If you decide to amend the budget to include the seven hundred seventy-five thousand seventy-two dollars (\$775,072) that will zero out our fund balance and we will be left with committed reserve which could be addressed if you wanted to altered that, there is two million six hundred thousand dollars (\$2,600,000) in that.

Mr. Bynum: We decided that we were going to at least leave this two million dollars (\$2,000,000) in case of a hurricane or national disaster.

Mr. Hunt: Correct.

Mr. Bynum: As of July 1<sup>st</sup>, we will have no uncommitted fund balance do a Money Bill with for any purpose other than looking into that fund and reducing it even lower?

Mr. Hunt: Correct, until December at which time we get to the CAFR certified number, then we will have available fund balance.

Mr. Bynum: Now that you have clarified that, I just wanted to make one comment. We would never do this if we had accepted the funding proposals that you gave us and we are taking away any operational cushion that we have at least for six (6) months.

Mr. Rapozo: Thank you. Councilmember Nakamura.

Ms. Nakamura: I just wanted to thank Councilmember Kagawa because I think that lays out pretty much the parameters that we are working under. The past budgets that I have gone through, we have started the year with that portion of unappropriated surplus. This is a process question really to the body about whether we should hold this seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) proposal on the side while we are looking at the additions to see what that starting number might be? It might be zero (0) which is what the Administration has proposed or it might be a different number based on what the agreed upon additions are. I am just wondering, am I looking at that correctly or is that two (2) separate decisions?

Mr. Hunt: I think you cannot use the money twice. If you were looking at budgeting any portion of the unappropriated surplus, you have to have the cover and the seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) is the cover. If you wanted to leave the seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) in fund balance you could budget up to that amount in the unappropriated where you see the zero (0) now, you could put that. It is sort of passing the shell because you have the money to cover whether you are using it from unappropriated or

whether you are using it from the actual fund balance. It is more semantics. But when you take the fund balance, then the money is gone. You cannot go back and draw on it. But at the same time, if you have a Money Bill and we do not know what that number, we are kind of out on a limb because if you start tapping into it, it is like what the Chair brought up with the yes-check. At some point we do not have the coverage and now you are gambling. We are beyond what we have in coverage. If it is a small amount, it is a reasonable gamble. But it is still against what our Auditors say is against best practice.

Ms. Nakamura: That has been our practice in past.

Mr. Hunt: In past we have had very, very large fund balances to cover every check we have been writing. This is a different year when we do not have the coverage.

Ms. Nakamura: Thank you.

Mr. Rapozo: Any more questions for Steve? Mr. Chair.

Chair Furfaro: I also want to make sure, if we do not do that here we are still chasing a significant amount of seven hundred sixty-seven thousand dollars (\$767,000), right?

Mr. Hunt: Yes.

Chair Furfaro: Thank you.

Mr. Rapozo: Thank you. Any more question? If not, thank you very much Steve.

There being no objections, the meeting was called back to order and proceeded as follows:

Mr. Rapozo: Any further discussion, if not, roll call, please.

The motion for the utilization of "Unassigned Fund Balance" in the amount of seven hundred seventy thousand five hundred seventy-two dollars (\$770,572) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,

Yukimura, Furfaro

AGAINST APPROVAL: None

EXCUSED & NOT VOTING: None

SILENT: None

TOTAL – 7,

TOTAL – 0,

TOTAL – 0,

TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Mr. Rapozo: Motion carried.

Chair Furfaro: Committee Chair, I have one more item that I want to get some feedback from on the Finance Department.

Mr. Rapozo: I just want to, Mr. Chair, really quick because we have been sitting for a while. I can tell because my butt is starting to hurt. I know we have taken a lot of five (5) minute breaks. Are we due for a captioner break? Carol, Cathy, Samantha? She is fine. Go ahead Mr. Chair. Thank you.

Chair Furfaro: Steve, I talked to you about the Workers' Compensation premium. There is about what I believe to set a goal. But we have to deal with this one as it is for all Departments and it is a premium. Do we have a firm sign deal or can we consider a nineteen thousand dollars (\$19,000) savings here?

Mr. Hunt: My understanding in talking to Gerald Estenzo on, that the only way to see realistic savings because it is an actual bid would be to increase the amount of our deductible.

Chair Furfaro: So, the two hundred eighteen thousand dollars (\$218,000) that I see in the budget, is actually the bid proposal?

Mr. Hunt: Correct.

Chair Furfaro: Then I have no more to add.

Mr. Rapozo: Thank you, very much Steve. Mr. Chair I will hand it back over to you. Thank you very much.

Mr. Rapozo, the presiding officer, returned Chairmanship to Chair Furfaro.

Chair Furfaro: Now we are at, let us take a moment, Scott or Jade, to get a recap of what is on the board. We have covered the seven hundred sixty-seven thousand dollars (\$767,000) with these actions and we have an amount that we are positive now.

Ms. Fountain-Tanigawa: Chair, your revenue measures added up to one million seventeen thousand four hundred ninety-five dollars (\$1,017,495).

Chair Furfaro: Do I still see the need the amount was seven hundred sixty-seven thousand dollars (\$767,000) and we found it all with those revenue measures and we are positive how much, I cannot see the board?

Ms. Fountain-Tanigawa: Three hundred twenty-eight thousand two hundred sixty-seven dollars (\$328,267).

Chair Furfaro: Three hundred twenty-eight thousand two hundred sixty-seven dollars (\$328,267). Is there anyone wanting to add revenue? We are going to into Real Property Tax resolution separately here next. Is there anyone that would want to propose any new revenue opportunities in the Operating Budget before we go to Property Tax? I am going to take a break. I have got to get something to drink for my throat. Anymore?

Ms. Yukimura: Just an inquiry about time. How long are we planning to go?

Chair Furfaro: Well, actually we are going to go through the tax rates and we might actually be done today.

Ms. Yukimura: And do additions sometime?

Chair Furfaro: No, we are going to get to that point. But we are going to go to the Real Property Tax if there is anything on the board and then we will go to additions. I would like to get it done today.

Ms. Yukimura: You are planning to go until?

Chair Furfaro: We might go to 6:30 p.m. here. If we get it done today, that means we do not work tomorrow. Well, you know what I mean. Are there any other recommendations for revenues from the members? If not, I would like to take a ten (10) minute break before we go to Real Property Tax.

There being no objections, the Committee recessed at 4:43 p.m.

There being no objections, the Committee reconvened at 4:59 p.m. and proceeded as follows:

Chair Furfaro: We are back. Everybody understands where we go from here? There are no more revenue additions. We go to Real Property Tax. We have a Real Property Tax discussion. After we have the Real Property Tax discussion, we can see what our number is. The number we have is four hundred eighty-four thousand five hundred forty-four dollars (\$484,544) and that is when the real negotiations start around the table, at that point, after we do Real Property Tax. Mr. Kagawa.

Mr. Kagawa: Thank you, Mr. Chair. If I could suggest a starting point and I know Mr. Bynum is preparing an amendment to the amendment that is proposed by the Administration. But I would like to see if we took a vote now, like a pre-vote and that would set that four hundred eighty-four thousand five hundred forty-four dollars (\$484,544) as a solid number because if we can get five (5) to say that they agree to the Administration's recommendations for tax rate increases, then basically our budget was in effect approved. If we can take that vote, and see where we are, I think that would be a good starting point.

Chair Furfaro: You can make that motion for Real Property Tax and if you have a second we will have that discussion.

Mr. Kagawa moved to approve Real Property Tax rates as recommended by the Mayor in the budget submittal, seconded by Mr. Rapozo.

Chair Furfaro: We have a motion on the real property tax as submitted for acceptance. What we would like to do now is on that note open discussions on Real Property Tax. Mr. Bynum.

Mr. Bynum: So, I can move to amend and do the presentation I intend to do?

Chair Furfaro: Sure.

Mr. Bynum: I will move to amend as circulated and hopefully I have a second so I can discuss it.

Mr. Bynum moved to amend the motion to decrease the Real Property Tax rate for Homestead (\$2.25) and increase the Vacation Rental (\$8.30) and Hotel & Resort (\$9.71) tax Rate in the amount of two hundred four thousand seven hundred seventy-four dollars (\$204,774), seconded by Ms. Yukimura.

Mr. Bynum: I printed out, I want to do a short presentation. I will make it as quick as I possibly can, but this is a major proposal and it has to be done in context. The machine printed five (5) copies and then stopped. But if the staff could bring up the PowerPoint that has these slides, and if I can give these...

Chair Furfaro: I will give you ten (10) minutes to make your presentation.

Mr. Bynum: I think I can do that.

Chair Furfaro: You have the floor.

Mr. Bynum: Give me a few seconds before I start. I do have a couple of copies, hard copies. If somebody could look at that, halfway through printing there was a jam. I was looking to get the PowerPoint up that I emailed Scott. For the sake of time I can start talking.

Chair Furfaro: You have the floor.

Mr. Bynum: Over the last few years I have made several proposals not related to – well, basically have not complained that County is spending too much money. I think we have been responding to the community's needs and their desires and the County government has grown. But I think it is important that it did because we have a lot of important work to do. But I have been concerned about who pays what portion of the Bill. This proposal is really about who pays what portion of the bill. I am still waiting for a PowerPoint to come up to show that. This is just to remind you in 2008, the Council considered reducing taxes for local homeowners by thirty-five percent (35%). Everybody agreed in that debate that we needed to lower taxes for local people and we just disagreed about how to do it. But we agreed that it was a need. This was the proposal. It was going to do it by increasing hotel and resort, apartment which was a visitor industry driven and improved residential. Now last year we did bump that improved residential rate some to make it more inline. But other proposals have not happened. If we could move to the next slide. I do not have a clicker. This is what we were told was the Homestead taxes percentage of taxes paid by the homestead group. Next slide. When we looked at the actual numbers, these were the actual numbers and the important thing to note here is since 2008 when we discussed reducing the taxes, they have gone up considerably and even with the rate reduction, the \$3.05 last year, it had little impact on who paid what percentage. Rather than having an additional increasing, that \$3.05 rate proposal leveled it off. In my opinion at a high rate. Next slide, please. It was considerably different than we thought. We did not have as big a reduction. But we did have a bigger increase than we thought. In terms of the percentage of taxes paid. Next one is all homeowners including those in other tax categories and what it shows us is that the cap initially had a fairly dramatic impact on what percentage of actual tax were paid by homeowners. But then ever since 2005, it has been going up. In 2008, again when it was



fifteen percent (15%) of all taxes were paid by homeowners, we had contemplated lowering that back down into the ten percent (10%) to twelve percent (12%) range. That did not pass. But then it went up dramatically over the next few years since the economic downturn, the percentage of the bill being paid by local homeowners has increased dramatically.

This is as of 2012. When the economic downturn came we have talked about how our revenues are down. I just showed you that the percentages paid by homeowners are up a lot and this is why because the tax relief that happened by not adjusting our rates as the assessed values were falling, meant that apartments less the homeowners with a seven million dollars (\$7,000,000) decrease over a four (4) year period. Hotels and resorts had five million dollars (\$5,000,000). Agriculture nine million dollars (\$9,000,000). This is less revenue. This is where all of that revenue went and why we are chasing funds today. This is why we, instead of using our fund balance to address these problems of unfair taxation, we gave it up to these tax categories. This is a fact. If you combine the two (2) hotel and resort related line items here, it totals over ten million dollars (\$10,000,000), seven (7) plus five (5) is twelve million dollars (\$12,000,000) of lost revenue primarily from condominiums used for visitors and for hotel and resorts. Next slide, please.

In addition, the State has capped our TAT. That is also revenue that came to the County to pay our bills. Who pays what portion of the bill? The revenue came from the Visitor Industry and the visitors who came here and that revenue is down estimated this fiscal year, by nine million dollars (\$9,000,000). In a four (4) year period the total loss just from visitor industry related funding is over thirty million dollars (\$30,000,000). This year, the fiscal year that we are trying to find those funds for, the Administration said we need to increase revenues by eleven million dollars (\$11,000,000) to twelve million dollars (\$12,000,000) and nine million dollars (\$9,000,000) is because of the loss of TAT. Next slide, please. Last year we reduced the tax rate to three dollars and five cents (\$3.05). You have all heard me talk about tax fairness. So, that red line is our current market taxes. Based on assessed value minus exemptions times the current rate of three dollars and five cents (\$3.05). So, that means last year – this is homes valued at five hundred thousand dollars (\$500,000), right? Homes that are valued five hundred thousand dollars (\$500,000) last year, we made the new red line is the new market rates. The dips are because of seniors or else it would be straight red line across because these are all equally valued homes. But we had one taxpayer paying five hundred seventy-two dollars (\$572) every year and another tax payer with an equally valued home paying one thousand seven hundred dollars (\$1,700). What happened was when we went to three dollars and five cents (\$3.05), these two (2) guys who were really getting gouged came down to the red line right here. So, this person taxes went from eighteen dollars (\$18) to thirteen dollars (\$13) last year. These people are paying less than the current market rate, all of these blue dots. But we have not dealt with this inequity. Does everybody understand, last year when we lowered the rate to three dollars and five cents (\$3.05), eight thousand (8,000) or more taxpayers still had an increase? Four thousand (4,000) got a decrease and those were the ones who were paying the highest rate, the highest amount.

If you go to the next slide. I thought a two dollars (\$2.00) rate would help us eliminate the cap. This is what a two dollar (\$2.00) rate would do, right? Virtually all of these folks would come down, but the people who had though pay increases were fairly moderate. But even at two dollars (\$2.00) rate, there are taxpayers paying less than that and they have been paying less that. So, what the cap did is created winners and losers. Here are the winners, the lucky people that got capped low and stayed there and these are the losers, anybody who got capped high or had a turnover of housing. But two dollars

(\$2.00) was too dramatic for the move and I am proposing a two dollars and twenty-five cents (\$2.25) rate. This moves us in the right direction. It makes the market rate down here so more people will have a decrease in taxes. These folks even at the two dollars and twenty-five cents (\$2.25) rate, about half the taxpayers, more than half of the taxpayers are still paying a rate lower than two dollars and twenty-five cents (\$2.25). Is this clear to everyone? Now these are at homes valued at five hundred thousand dollars (\$500,000). It turns out that on Kaua'i the median price for the people who live and work here is not five hundred thousand dollars (\$500,000) or six hundred thousand dollars (\$600,000). The median is about three hundred eighty thousand dollars (\$380,000). I want to look at that real quick. Here is the three dollars and five cents (\$3.05) tax rate. Last year we had and these are all equally valued homes, we had people paying from four hundred ten dollars (\$410) to one thousand three hundred dollars (\$1,300) for the same home. These people up here, this is our current tax rate at three dollars and five cents (\$3.05), so their taxes came down. This person went from one thousand three hundred thirty-two dollars (\$1,332) to one thousand thirteen dollars (\$1,013). But even at three dollars and five cents (\$3.05), the reduced rate, all of these folks are paying even less than that now. A two dollars (\$2) rate would have eliminated almost all of that underage. But that is too much go right now because we have agreed, I think, we have finally come to consensus that next year we are going to eliminate the cap that is creating these inequities and huge problems. It was not intended to do that and at first it did not do that.

Here is the rate I am proposing, two dollars and twenty-five cents (\$2.25). If we had a two dollars and twenty-five cents (\$2.25) rate this year about four thousand (4,000) people, about eight thousand (8,000) taxpayers would be at market rates next year and another four thousand (4,000) would be lower than two dollars and twenty-five cents (\$2.25), right? Then next year we are going to look at legislation to help these ease these folks back up to whatever the market rate is we set. But this is the year we should make this change in who pays what portion of the burden by reducing this market rate for resident homeowners. That is the new rate under our new great tax proposal that the Mayor gave us that we passed and we are implementing, who would pay the two dollars and twenty-five cents (\$2.25) rate? Resident homeowners and landlords who rent to local people at a reduced affordable rate. That is how you can get the Homestead rate now under our tax reform.

Chair Furfaro: Mr. Bynum, that is ten (10) minutes. But I will give you a couple of minutes to summarize.

Mr. Bynum: I am almost done. That is the proposal, is to reduce the Homestead tax rate to two dollars and twenty-five cents (\$2.25). Now, in order to do that, I suggest bumping the resort rate from nine dollars and seventy-one cents (\$9.71) from the current proposed nine dollars (\$9) and bumping the vacation rental rate from current eight dollars (\$8) proposed to an additional thirty cents (\$0.30). Now put this in perspective, we will still have by far the lowest hotel rate in the State. Why is that? Because the other Counties have to deal with this TAT revenue loss as well. Maui County and Hawai'i County have bumped their hotel rate three (3) times in the last four (4) years while we were not doing any or very little. We did a small one last year for revenue neutral. The bottom line is that we have to fund the government. Ross just proposed that we accept the tax rates which mean that every taxpayer in this County, almost every taxpayer, will pay an addition. Even though we kept the three dollars and five cents (\$3.05) rate that the Mayor proposed, that will mean that the majority of taxpayers pay an increase for the eighth year in a row.

Ms. Yukimura:

You mean homeowners.

Mr. Bynum: Homeowners. The question to me is we need to get these funds. We have lost thirty million dollars (\$30,000,000) from visitor industry related taxes, either property taxes on their properties or the TAT which is now been capped. Are we going to go to our residents to pay that for the seventh year in a row or are we going to let the industry take some of that hit? Is it unreasonable? It is unfortunate, but it is not unreasonable. Maui is going to ten dollars and twenty-five cents (\$10.25). City and County is at twelve dollars and forty cents (\$12.40). Big Island proposal is to go over ten dollars (\$10.00). I do not have that exact number. I lost it again Steve. This proposal would generate basically revenue neutral but because we did not get the data all correct, I want to make sure it is enough, it is probably about an additional two hundred thousand dollars (\$200,000).

Chair Furfaro:  
fifteen (15) minutes.

Mr. Bynum I just want to let you know that was

Mr. Bynum: What I am proposing is to reduce the property taxes for the local people who live here into the Homestead rate and to make up that difference with some increases in hotel and resort and vacation rentals. That will leave us still with the lowest property taxes in the State for the hotel industry. It is an increase. But we are not getting all the funds that we used to get from the visitor industry. Should our people pay it or the industry step up more? That to me, is the fundamental question?

Chair Furfaro: Discussion on Mr. Bynum's proposal? I want to get through this by 5:30 p.m. because we still have go through adds. Mr. Kagawa.

Mr. Kagawa: Thank you. I want to thank Mr. Bynum for your proposal. I think what I have suggested we try to complete finishing the budget and closing our gap on the Operating Budget, we need to assume that Councilmembers are willing to accept some type of proposal and the obvious proposal is the one that Steve proposed to us. Steve is an expert in the Real Property Tax Division. He has been there a while. I think all of you heard his presentations. He made all of the comparisons and Mr. Bynum's proposal is a large deviation from that proposal. I think we need to spend more due diligence time in looking at what he is changing from Steve's proposal or the Mayor's proposal which we have had a lot of time to look at and we still probably need more time to look at. But what I am suggesting is that we just adopt the Mayor's proposal for now and see if we have support for that number so we can at least work off of finishing this budget in a balanced fashion. That is all I am suggesting. I think Mr. Bynum's proposal can be done and discussed in-depth at a later date as to when we actually adopt the tax rates. My suggestion is not to say the Mayor's proposal is better than Mr. Bynum's proposal. I am not ready to make that decision nor is it a Sunshine on our agenda today to discuss those. Please let us focus on finishing the budget and let us see if we can agree to at least accept the Mayor's proposal for tax rates and we can use that revenue figure for today. Thank you.

Chair Furfaro:

Mr. Hooser.

Mr. Hooser: Yes, I would like to ask the Finance Director a question, if he could. The question is, when we do have Mayor's proposal and the bottom line for that and we have Mr. Bynum's proposal and his suggested bottom line, I want to know if the Finance Director has had a chance to look at Mr. Bynum's and if he agrees with the bottom line? I think really what he is saying is that we move on and if they are both

similar, which I think they are or they are being compared as, then it does not really matter that much. I have to say that I hesitate from the beginning to support the tax increases period. But I am more attracted to lowering the resident rate and offsetting that with the visitor industry rate as Mr. Bynum suggests. If we could ask the Finance Director to come up.

Chair Furfaro: We will ask the Finance Director to come up.

There being no objections, the rules were suspended.

Chair Furfaro: First of all I want to clarify a few things that the tax exhibits are part of the budget discussion. It is not a Sunshine issue. The schedule is on the agenda for today. Secondly, I would like to also see if you could comment on this proposal based on the fact that there are some major changes going to a single rate and maybe we do not know what the impacts are on house, land, resort, and so forth. I would like to hear some comments on that.

Mr. Hunt: Sure, and Chair, this is an unusual time because it really is a clean slate in terms of setting rates. The proposals that got passed last year that essentially said we are not longer taxing on zoning, we are taxing on use has set into motion a number of changes. You heard from some taxpayers that are now in the vacation rental class that were formerly in the single-family class and it is a big increase to them and there are certainly movements within the hotel industry where not only are we looking at additional rates, but the values of the hotel units themselves have come up considerably and it varies depending on the type of inventory. The higher end has had much more success and higher occupancies this year. So, I know that the value in specific projects have had a value increase and on top of the value increase there is the rate increase. It is very difficult to compare one year to the next because the chairs have been rearranged so much within the room and to the different compartments based on use. Again, I view it as an opportunity to really look at a larger picture in terms of how you want to set policy in terms of rates.

Chair Furfaro: Mr. Hooser, you have the floor.

Mr. Hooser: The specific question is comparing the two (2) proposals, if you would. The revenue impact on the budget, are they essentially the same?

Mr. Hunt: The proposal, the rates before you, I believe the changes were reducing the Homestead to two dollars and twenty-five cents (\$2.25) and increasing the vacation rental from eight dollars (\$8) to eight dollars and thirty cents (\$8.30) and increasing the hotel and resort from nine dollars (\$9) to nine dollars and seventy-one cents (\$9.71). Have a net impact of increasing total revenue from Real Property Tax by about two hundred four thousand dollars (\$204,000).

Mr. Hooser: Above and beyond the Mayor's proposal of tax increases. Then Councilmember Bynum's proposal increased an additional two hundred four thousand dollars (\$204,000).

Mr. Hunt: Two hundred four thousand dollars (\$204,000).

Mr. Hooser: Thank you. That is all I wanted to know. Thank you.

Chair Furfaro: You can ask him a question. Go ahead.

Mr. Bynum: How much does it reduce the tax burden on resident homeowners?

Mr. Hunt: Approximately one million eight hundred thousand dollars (\$1,800,000).

Mr. Bynum: I wanted to make sure that it was at least revenue neutral and took it just a little bit above to pay for some General Fund adds which I will disclose one of them to increase the Kaua'i Visitors Bureau back to previous year's funding. That will come from me. I just want to be clear, this is about who pays what portion of the bill. Should visitors pay tenth year of increase when everyone else has had decreases or is this year like Steve said, to get this realigned properly?

Chair Furfaro: Mr. Rapozo and then JoAnn.

Mr. Rapozo: Thank you, Mr. Chair. Steve, one million eight hundred thousand dollars (\$1,800,000) reduction to the homeowner class is that what you said?

Mr. Hunt: Yes.

Mr. Rapozo: If we are getting a net increase of two hundred thousand dollars (\$200,000) that means it is a two million dollars (\$2,000,000) hit to the other classes?

Mr. Hunt: Yes.

Mr. Rapozo: Is that what you are saying?

Mr. Hunt: I believe about a third to the vacation rental class and two-thirds of that increase to the hotel and resort. I do not have the exact breakdown.

Mr. Rapozo: You do not have to answer it now. But what does that do to a property like the Hyatt or Marriott? What kind of increase are we talking about and that is fine. It is not a fair question for you right now thank you. Thank you.

Chair Furfaro: JoAnn you have the floor.

Ms. Yukimura: No, I will pass this time.

Chair Furfaro: Nadine, you have the floor.

Ms. Nakamura: Steve, I thought in your budget presentation you talked about your interest in sometime this year working on proposals to look at the fairness issue.

Mr. Hunt: Potential removal of the cap, correct.

Ms. Nakamura: Is that still your intention for this year?

Mr. Hunt: It would be. In fact, almost immediately after budget, I think we would have to start working on something because given the time period and filing of exemptions and everything, it would be compressed. But that would be the intent working towards Fiscal 2015 that we would address some of these issues that would deal with exemption, with rates, with circuit breaker, and probably time share class, vacant land class, a variety of things to be worked on.

Ms. Nakamura: I think that is what I wanted to do, was to have that comprehensive look at how to address this issue and I know Councilmember Bynum, you wanted to address it right now.

Mr. Bynum: Not completely.

Ms. Nakamura: But I think that approach coming from the Administration, is a good one. I think I would feel more comfortable with that approach.

Chair Furfaro: JoAnn.

Ms. Yukimura: Steve, is this proposal from Councilmember Bynum, does it contradict or complicate your intention to work on the cap in this year or is it aligned within it and takes you a step forward, but not quite dealing with the issue?

Mr. Hunt: That is somewhat of a loaded question. Only in that I do not know what that particular rate for the Homestead category is going to be. Certainly, the fact that now we have long-term affordable rentals in there, my only concern, I guess as we address the correct amount of exemptions either for income and general exemptions, if those are significantly larger then we may not want to have as much reduction in rate and it makes it challenging if the rate were lower this year on the long-term affordable rentals to go back and address it again next year. Maybe it is not a problem, but I am always a little concerned about yo-yo rates and making the cuts would you tell us the full body of information as to where those proposals might be for next year, it is a little difficult to make that decision now.

Ms. Yukimura: Thank you.

Chair Furfaro: Steve, let me ask a question. What prevents us six (6) months from now revisiting the rates by Ordinance? I think nothing, right?

Mr. Hunt: You mean a mid-year adjustment?

Chair Furfaro: Yes.

Mr. Hunt: It would be unprecedented as far as I know. But I do not know if there is a...

Chair Furfaro: Thank you, you answered my question.  
Mr. Bynum.

Mr. Bynum: I would have liked a little bit more robust answer to JoAnn's thing. You are right. We lower this rate, we are allowing landlords who are willing to keep their rents affordable that favorable rate. That is a good thing as far as I am concerned. But changing this rate will make this task much easier, correct?

Mr. Hunt: What tax? I am sorry.

Mr. Bynum: To eliminate the cap.

Mr. Hunt: Again, certainly if we lowered it to one dollar (\$1), it depends on how you want to go. You could come to the fairest/lowest common denominator where the cap numbers are now, but it does not really address more holistic changes. We start looking at rates that are triple and I do not see that anywhere else in other County where you have one rate, with the exception of Maui and the timeshare rates, certainly there is some change there. I think maybe that is what affords them the ability to have such a low rate, is because they have such a high timeshare rate. Until we are able to look at all of the categories and where the rate structures need to be, I am a little hesitant to make had a commitment to a very low rate in this year when it may have a reversal next year when we do not necessarily want that rate and want to do more on the exemptions for those that are either afford at the income exemption, age, or use. It just depends on what we do between now and deliberation and when we start having workshops on this. But I think it restricts us by going to a low rate. There is likely going to be a hesitancy to raise that rate next year, if in fact, where it needs to be.

Mr. Bynum: That is why I did not go to two dollars (\$2) where I think it should be. I think we will have to come down a little more next year. But basically we have told our residents since 2008, you pay more, you pay more and all of these industries can pay less and that is okay. I have been saying for four (4) years, when are we going to fix it and every year it is we are going to do it next year, we are going to do it next year. This is the year where we are resetting these rates. Hotel rates are nine dollars and seventy-one cents (\$9.71) and will be substantially lower than the rest of the Counties and the time share rate you mentioned seventeen dollars and seventy cents (\$17.70) in Maui.

Mr. Hunt: Seventeen dollars and fifty cents (\$17.50).

Mr. Bynum: We give them a sweetheart deal. I am going to introduce a Bill this year to get us back to rationale things with timeshares as well which will be in revenue enhancements.

Chair Furfaro: We need to stay on. That is your intent. I hear it and certainly we will look at that then. But we need to look at proposal that is here, specifically. You have answered the questions. I also want to make certain that the answer on my question is the County Code prevents us have raising other than during budget time. It is not in the Charter. Mr. Kagawa, you have the floor.

Mr. Kagawa: Thank you, Chair. I would just like to call for the question. We can discuss this, like I said, at a later date. Since we are pretty close. We are two hundred four thousand dollars (\$204,000) away from adopting Mr. Bynum's proposal. I am pretty good either way, actually. But more likely to just stay with the conservative figure for now.

Chair Furfaro: Last piece, Mr. Bynum and last piece, JoAnn.

Mr. Bynum: My. Last piece and a question. Is Mr. Kagawa saying that I get two (2) bites the apple? I get to make this proposal now and then I get to make it again in a couple of weeks when we set the rates?

Chair Furfaro: No, the decisions we make here are by Code.  
Again, the final pieces.

Mr. Bynum: The bottom line of this is are we going to say to the local people, who live here, everybody else had tax decreases for the last four (4) years while you have been struggling and we have given you tax increases, fee increase. Earlier in this budget session Councilmembers said no, we are not going to pass commercial tipping fee because we are worried about business. No, we are not going to pass the weight fees because we are worried about commercial businesses. But we did pass bus fees and I want everybody to understand, we do not change the rate, the vast majority of local taxpayers pay increases again next year. I just do not know why – I am just dismayed that we are even had this discussion. This is simple to me.

Chair Furfaro: You have had your time, more than adequate. I think I want to get to the call for the vote. JoAnn and then Mr. Hooser. But let us get to where we need to be here.

Ms. Yukimura: I would like to see slide 5, although they are not numbered. But it is entitled all homeowners-actual taxes percent. My question is to Councilmember Bynum, if we pass the proposed changes in the tax rate, where will the line go? You are showing that in 2012 homeowners were paying sixteen percent (16%) of all the taxes. Where will the line go if you adopt your rate?

Mr. Bynum: Down.

Ms. Yukimura: Do you know where though?

Mr. Bynum: That could be calculated. We have had a very difficult time getting this data.

Ms. Yukimura: Steve, do you know the answer?

Mr. Hunt: No. In fact, Councilmember Bynum is correct. You would have to calculate this and you would have to run what the credits are and what the proposed rates are for the homeowners that live in classes other than the homestead as well which include additional rate increases. But they would be subject to the two point four percent (2.4%) current cap based on the CPI-U. Until you ran the scenarios, you would not know and the other thing you would have to look at because we expanded the homeowners' category, the homestead class to include LTLs. To be inclusive of that, you would only want to compare those that have the actual homeowners exemption. There are properties that are within the homestead class for taxation only that do not have exemptions because they are not occupied by primary residents, they are owner-occupants. It would be a task to run those scenarios and calculate what that tax percentage would be by all homeowners.

Ms. Yukimura: That is what you got to get those dots, you all calculated that. But it is a pretty lengthy process to do so?

Mr. Hunt: Actually, I believe this was prepared by Councilmember Bynum, not by us.

Mr. Bynum: This is from the data you provided.



Mr. Hunt: Correct.

Chair Furfaro: You have the answer to your question,  
Mr. Hooser, you have the floor.

Mr. Hooser: Yes. Given the opportunity to vote to taxes for owner-occupants and people that long-term rent their homes and offset that by increasing taxes for the resort industry which is booming right now, I will without hesitation support lowering the taxes for residents. There is no question and whether it impacts the Administration's calculations for next year, I believe they will work around that. We have talked about increasing costs, increasing costs, increasing costs for local residents and here is an opportunity to balance our budget a little differently and lower those costs. I really want to encourage everyone to give it positive consideration and vote in support.

Chair Furfaro: I am going to call for the vote here shortly.  
Mr. Rapozo.

Mr. Rapozo: Thank you, I will not be supporting the proposal. We went through a very long budget process and often times the argument was in Honolulu or in Maui, on the Big Island, it is up here and that is where we should be. In this case, we are not saying that. Well, we are not going to stay in line with the Big Island and O'ahu. Maui has the benefit of a very high timeshare rate and that is why they can basically subsidize the homestead rate to lower. But at this point, as Steve and the Finance Department and the Administration is looking at what I would call tax reform going forward, that I would give you the time to put some proposals together and the proposal that you have submitted that is being proposed by the Administration is one that I can live with right now. I will not be supporting the proposal. Thank you.

Chair Furfaro: JoAnn, last time before I call the vote.

Ms. Yukimura: We are in discussion, right?

Chair Furfaro: Yes, last time before I call for the vote.

Ms. Yukimura: Yes. I will be voting in support of this proposal. It is a chance to help lower the costs of living for our taxpayers and it is basically revenue neutral. So, that we are not causing havoc to the budget or having to remove expenditures of sorts in the budget. I think it is due and I believe it will set us in the direction that the Administration is looking for next year.

Chair Furfaro: Council Vice Chair?

Ms. Nakamura: Just in looking at the rates of Hawai'i County for Homestead class, five dollars and fifty-five cents (\$5.55). The City and County does not have a homestead class, but their residential rate is three dollars and fifty cents (\$3.50). What we currently have is three dollars and five cents (\$3.05) so this is bringing it down to two dollars and fifty cents (\$2.50). The Statewide average is four dollars and fifteen cents (\$4.15) for the Homestead class. I am very comfortable for now, but I look forward to the Administration's proposals that look holistically at this issue and solve the problem of fairness.

Chair Furfaro: I am going to call for the vote. Mr. Bynum, I will give you the floor one more time.

Mr. Bynum: I just want to respond to the comment. If we had more time, we would look at the exemptions because we have to look at the exemptions and the rates. Our exemptions are very low. This is a very appropriate thing that is consistent with the plans that the Administration and I do not think they are opposed to it. I think they would say, if we asked the Mayor right now, he would say up to you folks, I hope. Does the Administration have a position on this, Steve?

Mr. Hunt: I would have to confer with the Mayor and Gary Heu on that. But I know the concern is having rates drop for a particular category that may not stay down. It is often more politically challenging to get them back up if that is the end result of our analysis. If we decide that we think that the exemptions will take care of the homeowners, that the long-term that maybe three dollars (\$3) is a correct rate to encourage, if we need to get back to that place, I know it is often more difficult. Our concern is to maybe holistically look at this before we address that rate.

Mr. Bynum: We have to protect industry from one million dollars (\$1,000,000) tipping fee increase.

Chair Furfaro: He answered your question, Tim. He answered your question.

Mr. Bynum: So, just interrupt me mid-sentence?

Chair Furfaro: I gave you a question, Tim. I did not ask you to make dialogue about the industry and so forth because I am going to pose my question right now. How much with the reassessments of the hotels and resorts related to vacation rentals and so forth, have you made an assumption what is their total fees going up as a group? How much is going to be hitting the ones that recently got a new appraised value? Do you have that answer?

Mr. Hunt: I do not have that answer because a lot of the properties that were not classified as vacation rental that are this year just be virtue of going into that class had a significant increase going into to rates going from four dollars (\$4) to an eight dollars (\$8) rate.

Chair Furfaro: I see this a little different that if we start to charge these individuals based on the fact that they are now categorized in a resort category, we might also have some attrition that gets those individuals out at this point that they do not want to pursue it. I am going to tell you how I feel about Mr. Bynum's. I feel Mr. Bynum is on target, but with all the other variables I do not see us doing that now. There are too many unknowns until we actually see the tax roll. I want you to know that I will be pursuing with Mr. Bynum this discussion after we see the tax roll and I would like to be doing it in December when the CAFR comes out and all of those things so they can be implemented appropriately, more timely and we have of right information to come up to the analysis. I will not be supporting this now, but I will be supporting this probably in December as it gets re-entertained. Now I would like to call for the vote.

Ms. Fountain-Tanigawa: This is on Councilmember Bynum's proposal.

The motion to amend the motion to decrease Real Property Tax rate for Homestead (\$2.25) and increase Vacation Rental (\$8.30) and Hotel & Resort (\$9.71) in the amount of two hundred four thousand seven hundred seventy-four dollars (\$204,774) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Yukimura	TOTAL – 3,
AGAINST APPROVAL: Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 4,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 3:4, fails.

Mr. Rapozo: Call for the question on the main motion,  
Mr. Chair.

Chair Furfaro: Question called for the main motion further  
discussion. If not, vote please.

Ms. Yukimura: Point of inquiry. The main motion was on the  
proposed tax rate?

Ms. Fountain-Tanigawa: The rate as proposed by the Administration.

Ms. Yukimura: Thank you.

The motion to approve Real Property Tax rates as recommended by the Mayor in the budget submittal was then put, and carried by the following vote:

FOR APPROVAL: Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Hooser	TOTAL – 1,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Bynum	TOTAL – 1.

Chair Furfaro: 5:2.

Ms. Fountain-Tanigawa: 6:1.

Chair Furfaro: Thank you very much. Now we are going back to  
adds. Tax proposals are done. As I see this, to the staff, I want to make note we have four  
hundred eighty-four thousand five hundred forty-four dollars (\$484,544). We have had  
earlier discussions on a few item for the adds.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: Yes.

Mr. Rapozo: Can I go first?

Chair Furfaro: Yes, go ahead.

Mr. Rapozo: I am proposing to restore the funding to the  
YWCA and Economic Development and there are two (2) line items and I would assume we

could take them both together. The first one is an add of forty-five thousand dollar s (\$45,000) for increase in the other services line for the Family Violence Shelter and a thirty thousand dollars (\$30,000) increase in the YWCA for the Sexual Assault Treatment Program.

Mr. Rapozo moved to increase funding for "YWCA Family Violence Shelter" by forty-five thousand dollars (\$45,000) and "YWCA Sexual Assault Treatment Program" by thirty thousand dollars (\$30,000) in the total amount of seventy-five thousand dollars (\$75,000), seconded by Ms. Yukimura.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: I intend to support this proposal, but I would like to propose an amendment. To increase that by an additional twenty thousand dollars (\$20,000). In talking with Renee Hamilton, the target number I have is ninety-five thousand dollars (\$95,000) in order to make them whole compared to what their County funding was (inaudible) versus last year.

Chair Furfaro: I understand your point. I just want to say just because we have the four hundred eighty-four thousand dollars (\$484,000) does not mean we have to spend it all. That is my first comment. Secondly, it is a tough situation and I do believe some of this should be restored. It is very difficult for us to get back to one hundred percent (100%) of what was there. We have to have some recognition that these are tough times. We have Mr. Bynum's amendment now, so that is forty-five thousand dollars (\$45,000) plus thirty thousand dollars (\$30,000) should be forty-five thousand dollars (45,000) plus fifty thousand dollars (50,000)? Is that how I understood it? I just want to get the motion correct.

Mr. Bynum: There was a line item called other services.

Chair Furfaro: Restate your amendment.

Mr. Bynum: I will restate my amendment, that the line item for "YWCA Family Violence Shelter" would be amended to fifty-five thousand dollars (\$55,000) and the one for "YWCA Sexual Assault Treatment Program" would be amended to forty thousand dollars (\$40,000). This is in recognition of twenty thousand dollars (\$20,000) that was in the Prosecutor's budget last year, but is not in this year's. I was looking as I think we have always tried to do, what are all the sources that the County is using to fund the YWCA and they are experiencing cuts from the State and other sources. This does not keep them whole. It just keeps the County's contribution the same as last year's.

Chair Furfaro: Mr. Rapozo you have the floor and then Mr. Kagawa.

Mr. Rapozo: I was just going to say that I spoke to Renee and the seventy0five thousand dollars (\$75,000) is what would have brought the amounts up to this year's funding. So, that is what their request to me was. I do not know how anybody else feels.

Chair Furfaro: I want to make sure I get it clear, a one-time seventy-five thousand dollars (\$75,000) amount for other services?

Mr. Rapozo: No. It is broken down. The forty-five thousand dollars (\$45,000) for Family Violence Shelter and thirty thousand dollars (\$30,000) for Sexual Assault Treatment Program.

Chair Furfaro: For a total of seventy-five thousand dollars (\$75,000)?

Mr. Rapozo: Yes. That would bring their funding for next fiscal year to the same funding that they currently have this fiscal year.

Chair Furfaro: Now, on that note, Mr. Bynum I will give you the floor again to see if you can get a second.

Mr. Bynum: I am just trying to clarify.

Chair Furfaro: Do you have a second on your motion?

Mr. Bynum: I agree with Councilmember Rapozo. It brings this back to what was funded in the Council's budget. I am also trying to put in the additional twenty thousand dollars (\$20,000) that is a reduction in the Prosecutor's budget.

Chair Furfaro: Your motion is a total of how much?

Mr. Bynum: Twenty thousand dollars (\$20,000), add ten thousand dollars (\$10,000) to each line.

Mr. Rapozo: This would bring it up to ninety-five thousand dollars (\$95,000).

Chair Furfaro: The total amount of ninety-five thousand dollars (\$95,000). Do I have a second on Mr. Bynum's motion?

Mr. Bynum moved to amend the motion to increase funding for "YWCA Family Violence Shelter" by forty-five thousand dollars (\$45,000) and "YWCA Sexual Assault Treatment Program" by thirty thousand dollars (\$30,000) in the total amount of seventy-five thousand dollars (\$75,000) to increase the funding for "YWCA Family Violence Shelter" by fifty-five thousand dollars (\$55,000) and "YWCA Sexual Assault Treatment Program" by forty-thousand dollars (\$40,000) on the total amount of ninety-five thousand dollars (\$95,000), seconded by Ms. Yukimura.

Chair Furfaro: You have the floor.

Ms. Yukimura: What is that for the Prosecutor's Office? I do not know what that is and I would like to know what that is. I know there was grant money that came through the Prosecuting Attorney's Office, but I am not aware that County money for the Prosecutor was given to the YWCA.

Mr. Bynum: I could answer that.

Chair Furfaro: Go right ahead.

Mr. Bynum: The funds that come from the Prosecutor are Federal funds passed through. The Prosecutor can use those for his own budget or he can pass through. Every year on this Council we have always looked at what were all the sources that were coming and until it got difficult because – well, I will not go into it. But this year it is very clear to me there would be a twenty thousand dollars (\$20,000) reduction that would have come from the Prosecutor's Office, that is what I am trying to make up.

Chair Furfaro: Do I have a second for discussion? Do I have any more comments on that? Let us take a vote on the amendment as amended. But I want to caution you folks, this is not a typical year. We have less money. We have less money. If a family has less money, they take their kids out less. We have less money. Call for the vote on the ninety-five thousand dollars (\$95,000).

Mr. Rapozo: Mr. Chair, hang on real quick. This is an amendment for twenty thousand dollars (\$20,000), not ninety-five thousand.

Chair Furfaro: I am sorry.

Ms. Fountain-Tanigawa: A total of ninety-five thousand dollars (\$95,000).

Chair Furfaro: Let me clarify it. We have a motion and a second for the seventy-five thousand dollars (\$75,000) on the table and Mr. Bynum's addition is twenty thousand dollars (\$20,000) which will bring it to ninety-five thousand dollars (\$95,000). That is the amendment and that is what we are voting on now.

Mr. Rapozo: Thank you, I just wanted to make sure.

Chair Furfaro: Vote again, please.

The motion to amend the motion to increase funding for "YWCA family Violence shelter" by forty-five thousand dollars (\$45,000) and "YWCA Sexual Assault Treatment Program" by thirty thousand dollars (\$30,000) in the total amount of seventy-five thousand dollars (\$75,000) to increase the funding for "YWCA Family Violence Shelter" by fifty-five thousand dollars (\$55,000) and "YWCA Sexual Assault Treatment Program" by forty-thousand dollars (\$40,000) on the total amount of ninety-five thousand dollars (\$95,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum	TOTAL – 1,
AGAINST APPROVAL: Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Chair Furfaro: Now we are at the main motion to add seventy-five thousand dollars (\$75,000) to YWCA services.

The motion to increase funding for "YWCA family Violence shelter" by forty-five thousand dollars (\$45,000) and "YWCA Sexual Assault Treatment Program" by thirty thousand dollars (\$30,000) in the total amount of seventy-five thousand dollars (\$75,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you very much. We add that seventy-five thousand dollars (\$75,000). Nadine, you have the floor.

Ms. Nakamura: Council Chair and members I would like to request seventy-eight thousand dollars (\$78,000) for the Kaua'i Creative Technology Center. It would be a line item in the Office of Economic Development. It would be targeted directly to Kaua'i Economic Development Board to continue the work of developing this Kaua'i Creative Technology Center.

Ms. Nakamura moved to add funding for "Other Services – KEDB: Kaua'i Creative Technology Center" in the amount of seventy-eight thousand dollars (\$78,000), seconded by Ms. Yukimura:

Chair Furfaro: Discussion? We have ample discussion earlier. I would call for a vote on the seventy-eight thousand dollars (\$78,000).

The motion to add funding for "Other Services – KEDB: Kaua'i Creative Technology Center" in the amount of seventy-eight thousand dollars (\$78,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST APPROVAL: None	TOTAL – 0,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Thank you. If my math is right we are down to three hundred thirty-one thousand dollars (\$331,000)? Mr. Hooser you have the floor.

Mr. Hooser: Yes, I would like to suggest adding one hundred fifty thousand dollars (\$150,000) to increase funding for the Kaua'i Humane Society.

Mr. Hooser moved to increase funding for the "Kaua'i Humane Society" in the amount of one hundred fifty thousand dollars (\$150,000), seconded by Mr. Kagawa.

Chair Furfaro: Adding one hundred fifty thousand dollars (\$150,000) for the Kaua'i Humane Society.

Mr. Kagawa: Mr. Chair?

Chair Furfaro: You have the floor.

Mr. Kagawa: If Mr. Hooser, you want to clarify our motion for cats?

Mr. Hooser: I see it as increasing the funding and they make it work. The contract with the County makes it work. But yes, the intent would be to include cats.

Mr. Kagawa: May I? Let us leave it open. I think you are right. Let us give them more and hopefully they will cover both. Thank you.

Chair Furfaro: One hundred fifty thousand dollars (\$150,000) to the Humane Society. I have a motion and second that one hundred fifty thousand dollars (\$150,000) will be coming out of the three hundred thirty-one thousand five hundred forty-four dollars (\$331,544), vote please.

The motion to increase funding for the "Kaua'i Humane Society" in the amount of one hundred fifty thousand dollars (\$150,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Yukimura,	TOTAL – 4,
AGAINST APPROVAL: Nakamura, Rapozo, Furfaro	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Yukimura moved to increase funding for the "Kaua'i Humane Society" in the amount of one hundred thousand dollars (\$100,000), seconded by Mr. Bynum.

Chair Furfaro: The one hundred fifty thousand dollars (\$150,000) died, now we are coming back with one hundred thousand dollars (\$100,000). Further discussion? If not, roll call please.

The motion to increase funding for the "Kaua'i Humane Society" in the amount of one hundred thousand dollars (\$100,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Nakamura, Rapozo	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 5:2.

Chair Furfaro: I have five (5) votes. It was one hundred thousand dollars (\$100,000) allocation to the Humane Society. Tim, you have the floor.

Mr. Bynum: I may need some help from Councilmember Yukimura. But I had a list of six (6) things that I hope to add. My number one priority was the bus. I know JoAnn has proposals totaling one hundred forty thousand dollars seventy-one dollars (\$140,071), was it?

Ms. Yukimura: For half a year.



Mr. Bynum: For half a year?

Ms. Yukimura: Yes, I talked to Celia.

Mr. Bynum: I am going to propose adding seventy-one thousand dollars (\$71,000) to the line item called...

Mr. Bynum moved to add funding for "Additional Mainline Routes" in the amount of seventy-one thousand dollars (\$71,000), seconded by Ms. Yukimura.

Ms. Yukimura: It is to alleviate the congestion on the bus. It would be for buses and drivers to alleviate the congestion.

Chair Furfaro: And the amount again, JoAnn?

Ms. Yukimura: Seventy-one thousand dollars (\$71,000), half of the one hundred forty-two thousand (\$142,000) that I suggested.

Chair Furfaro: Got it.

Ms. Yukimura: But it turns out that they will be able to institute it mid-year.

Chair Furfaro: We have seventy-one thousand dollars (\$71,000) as motioned by Mr. Bynum, seconded by JoAnn. Discussion?

Ms. Yukimura: It is called Additional Mainline Routes.

Chair Furfaro: Discussion, Mr. Kagawa.

Mr. Kagawa: We have beaten this dead horse call for the question.

Chair Furfaro: Question is called, seventy-one thousand dollars (\$71,000) for half a year for the bus expansion on key routes on the main line.

The motion to add funding for "Additional Mainline Routes" in the amount of seventy-one thirty-two thousand dollars (\$71,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Nakamura, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Kagawa, Rapozo	TOTAL – 2,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 5:2.

Chair Furfaro: And that is 5:2, right? So, that passes. If my math is correct we are down to one hundred sixty thousand five hundred forty-four dollars (\$160,544). Who has not had a chance yet? Mr. Kagawa.

Mr. Kagawa: I have two (2) relatively small requests. First one is I have been informed by Mark Ozaki who monitors the high schools and they are in charge of dealing with special operations regarding underage drinking rage parties, some of which can exceed three hundred (300) students or youth drinking and you name it. Chief Perry indicated that they try to address these things with normal Patrol Units. However, I have been informed that normal Patrol Units are very reluctant to step in when they are outnumbered by such numbers. You need to go in with those parties with twelve (12) or more Officers and I have been requested by Officer Ozaki to put in overtime moneys so that they may go and address these problems. I am proposing that we add fifty thousand dollars (\$50,000) that should take care of at least once a month in monitoring of those parties so that they do not get out of hand. Fifty thousand dollars (\$50,000) in overtime under Police budget for underage youth rage parties.

Mr. Kagawa moved to add funding for "Regular Overtime – Underage Activities Investigations" in the amount of fifty thousand dollars (\$50,000), seconded by Mr. Rapozo.

Chair Furfaro: I have a motion and second, JoAnn?

Ms. Yukimura: I just wondered about the possibility of using Liquor Division moneys because I believe they can be put under Prevention Programming and/or the Forfeiture Fund in the Police Department.

Mr. Kagawa: I believe if I may respond?

Chair Furfaro: Yes.

Mr. Kagawa: I believe Officer Ozaki has this year experienced a lack of funding from the current budget. He said the rage parties are going on and we are not carrying out what he would want to carry out in controlling these because of the lack of overtime. I guess overtime moneys in the normal Police account have disappeared as we speak. It is just taking the initiative, Councilmembers. If you feel it is important then you will vote for it. If you feel like we can look for other means then so be it. But I want to propose it right here and now.

Chair Furfaro: First of all, I want to make sure that we understand, I do not have the budget in front of me. But I think we have one million four hundred thousand dollars (\$1,400,000) in overtime in the Police Department. So far for this year, as I mentioned to the Chief, they have actually spent nine percent (9%) more than what they should have at this point. But I think the comment made about the need for Mr. Kagawa is an excellent one and I want the Finance Director to come up because it was countered by a suggestion from Councilwoman Yukimura that rather than refund money to the Liquor Commission licensees, we could use this money before the refund and make it available for specifically for rave party intervention/prevention. I am sorry. It is prevention and I think Councilwoman Yukimura made an excellent point. Your comments?

There being no objections, the rules were suspended.

Mr. Hunt: As far as the Liquor Fund goes, I would probably have to confer with Gerald or someone in Liquor to find out exactly what they can be used for. There was some discussion of using ten percent (10%) of the fines to do prevention, but

the problem it almost becomes a quota system. If you cannot budget fines, you do not know what the fines are going to be I have given year, so it is difficult to budget fines.

Chair Furfaro: We do know what we refund over the past several years on the general license refunds. I am just saying at this point, can we not put a footnote if, nor that for that money to be used from Liquor fees? That is a legal question. We have a legal person next to you, "yay" or "nay." I thought it was an excellent idea from Councilmember Yukimura for an excellent point brought up for Councilmember Kagawa.

ALFRED B. CASTILLO, JR., County Attorney: I am sorry this evening the answer is "Nay" for two (2) reasons. One the moneys can be used for Liquor purposes and number two is that the Commission controls that endeavor.

Chair Furfaro: Understood.

Mr. Castillo: Thank you.

Chair Furfaro: But it is okay for the Chairman to go to the Liquor Commission and lobby them.

Mr. Castillo: Yes.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: Which I will be doing because I think what Mr. Kagawa brought up is an excellent idea and it is a form of prevention. Joann, you have the floor and then Mr. Kagawa.

Ms. Yukimura: I believe part of the law allows some expenditure and if it is only the fines, so it is a fine line whatever that definition is in the law. But there is some expenditure for prevention and other uses. I hope that you are really clear about that. The other thing is if we can only take from fines, maybe we need to create a fines account that accumulates. I do not know how that works. But like we have with Planning, create a Special Fund.

Chair Furfaro: Mr. Kagawa, you have the floor.

Mr. Kagawa: Mr. Chair, it relates to the Police so I just want to put up my other one. I believe they are tied hand in hand. The second one is for six thousand dollars (\$6,000). It will go under actually under the Mayor's budget. It will be two thousand dollars (\$2,000) allocated to each high school. I have been informed by all three (3) high schools that next year's project graduation is in jeopardy and if we do not help these high schools with at least bus transportation to and from the event, that all three (3) may be in jeopardy of not happening next year. O'ahu, City and County, the Police Department supports each public high school in the amount of two thousand dollars (\$2,000) for transportation under the Criminal Asset Forfeiture Fund. However, the Committee Members from each project grant have asked the Police Department for the same thing and they were told that KPD's Criminal Asset Forfeiture Fund is being used for their operations and that the six thousand dollars (\$6,000) cannot be given out of that amount. As you know, the project graduation has saved our Police have from spending a

lot of overtime on graduation night because without the project graduation, it would be very hectic out there in the community. Thank you.

Chair Furfaro: Like I said before, we need to take and dispose of one item at a time. I will come back to that as a second item. The item that is on the table is of our one hundred sixty thousand five hundred forty-four dollars (\$160,544) that is left, fifty thousand dollars (\$50,000) for the Police Department for this additional overtime for staffing for enforcement of the Liquor Law as it relates to the rave parties.

Ms. Yukimura: Question.

Chair Furfaro: JoAnn, have you the floor.

Ms. Yukimura: I agree that the rave parties really need to be monitored. The question, if I may of Mr. Kagawa.

Chair Furfaro: We have a question come over for you Kagawa.

Ms. Yukimura: The twelve (12) bodies, do they include DLNR Officers or other ancillary?

Mr. Kagawa: No, they do not. This is primarily for two (2) areas, behind the golf course, that is a major area where they hold some huge parties and the other one is Polihale and I believe our KPD Officers, even though it is a State Park, they do go down there and arrest of whatever. Thank you.

Ms. Yukimura: I guess I would like some discussion with the Police here about joint actions and other things that they have explored. Is there no money in the Forfeiture Funds?

Mr. Rapozo: It I can just clarify on the Forfeiture Fund. You cannot use Forfeiture Fund moneys to supplement overtime or salaries.

Chair Furfaro: It cannot be used for staffing guides period.

Mr. Rapozo: It is for nonrecurring uses so Asset Forfeiture Fund is not accessible.

Chair Furfaro: But staffing guides, whether it is overtime or straight time cannot be used either. I would like to see if any more discussion before we call for the vote here.

Mr. Rapozo: I will just call for the question.

Chair Furfaro: We have twenty-five (25) minutes left,  
Mr. Bynum.

Mr. Bynum: I really want to support this, but I never heard from the Police Chief that this was a priority. I feel kids are congregating no matter what. If not these places, they will find others. It is their social prerogative. I have had four (4) proposals over the last few years to deal with this and I will try again next year. If the Chief was saying we need this and we say we could do it, it would be a no brainer. But I do

not know if we can get that kind of thing. I am concerned even for Mark that generally requests for overtime do not come from Police Officers. They come from the Administration. I am torn.

Chair Furfaro:

Mr. Rapozo?

Mr. Rapozo: I think we heard from the Chief during the budget session that they believe this budget was already short whether the overtime is used for this project or any other project. The bottom line is the Police Department will be reducing the services to the public. That is going to happen based on the budget, unfortunately. I really do not need the Chief here. I did speak to Mark and I also spoke to the Administration as well, the Police Administration. I did ask them to end over in writing last week when they were here at Council Meeting I said send me the list and he did. I cannot even propose anything because we just do not have the funds. But I will support this action. I can tell you that these parties need to stop. The only way it is going to be stopped is by the Officers going out and doing proactive enforcement and they cannot do right now because they do not have the overtime funds.

Chair Furfaro: JoAnn, this will be the third time I have recognized you and the last to get through this.

Ms. Yukimura: Yes. I am aware that the Police Department gets grants and that parts of their grants are supposed to be used for prevention and other drug is and I would prefer that they get the moneys from those grants.

Chair Furfaro: I am going to say that I will support this around the table the first time. But I also want you to know, whatever the outcome is, I do plan to make a presentation to the Police Commission and be pursuing with the County Attorney some clear definition on how we can use some of those funds from the licensees. Let us call for the vote on the fifty thousand dollars (\$50,000) first and then we will come back to the second item for the six thousand dollars (\$6,000) for the schools

The motion to add funding for "Regular Overtime – Underage Activities Investigations" in the amount of fifty thousand dollars (\$50,000), was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
AGAINST APPROVAL: Yukimura	TOTAL – 1,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: Bynum	TOTAL – 1.

Ms. Fountain-Tanigawa:

6:1.

Chair Furfaro: We have 5:2 is the vote? 6:1. 6:1 is the vote. Now, quickly and I am going to make a comment here. I would hope when we got all the way down to one hundred ten thousand five hundred forty-four dollars (\$110,544) that the members would let the Chairman with something on the table for consideration since I found one million dollars (\$1,000,000). We have the floor the six thousand dollars (\$6,000).

Mr. Kagawa: Mr. Chair, within reason, I would like us to add whatever the body and the voting members feel. Like I said, I am comfortable using a fund balance line item adjustment, but not a big one. I think we are coming up with some

reasonable requests for adjustments. I think it will lead to some healthy things in the community. I move to approve six thousand dollars (\$6,000) under Mayor's budget for Project Graduation, two thousand dollars (\$2,000) for each school. It will be for transportation, bus rides only and they will show receipts, et cetera to verify their request.

Mr. Kagawa moved to add funding for "Special Projects –Project graduation (two thousand dollars (\$2,000) each for Kapa'a/Kaua'i/Waimea High Schools)" in the amount of six thousand dollars (\$6,000), seconded by Ms. Nakamura.

Chair Furfaro: A motion and second on this. Councilwoman Yukimura, you have the floor.

Ms. Yukimura: I move to amend by taking this money and getting it from the Forfeiture Fund.

Ms. Yukimura moved to amend the motion by taking the six thousand dollars from the Forfeiture Fund instead of the General Fund.

Mr. Rapozo: I do not believe that is allowed.

Chair Furfaro: I do not have a second either.

Mr. Rapozo: I will second for discussion.

Mr. Rapozo seconded the motion to amend the motion by taking the six thousand dollars from the Forfeiture Fund instead of the General Fund.

Mr. Rapozo: But again, the focus of the Forfeiture Fund is not used for...

Chair Furfaro: I give will give JoAnn the floor to try and solicit a second.

Ms. Yukimura: I thought that Councilmember Kagawa said they do it in other Counties.

Mr. Rapozo: He also said that they do not do it here. Our opinion is that we cannot use it, we cannot use it.

Ms. Yukimura: Well, it is not recurring.

Mr. Rapozo: I call for the question.

Ms. Yukimura: Can I get that clarification?

Chair Furfaro: Let us get a second first. Do we have a second?

Ms. Yukimura: Yes, Mel seconded it.

Mr. Rapozo: I have the second, Mr. Chair.

Chair Furfaro: Clarification please, somebody please come up.

There being no objections, the rules were suspended.

Mr. Castillo: Is this an endeavor to get moneys from the Asset Forfeiture?

Chair Furfaro: Yes.

Mr. Castillo: I am sorry, I do not have the answer for that. It is specific and I know there are conditions. I do not have an answer for you right now. I am sorry.

Chair Furfaro: JoAnn, go ahead.

Ms. Yukimura: I mean, if you can use it for gym equipment, certainly you can use it for high school.

Mr. Castillo: I do not want to speculate. I am sorry.

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Nakamura: Call for the question.

Mr. Rapozo: Mr. Chair, just real quick. The reason the gym equipment is all right because it benefits the Police Department. The transportation to Project Graduation does not benefit the Police Department. The Asset Forfeiture Fund is the Police Department, to afford the Police Department that opportunity to buy helicopters. They can buy whatever they want. They cannot use it for non-law enforcement matters. I will call for the question.

Chair Furfaro: We will call for the vote, please.

Ms. Yukimura: I will withdraw my amendment.

Ms. Yukimura withdrew her motion to amend the motion by taking the six thousand dollars from the Forfeiture Fund instead of the General Fund. Mr. Rapozo withdrew his second.

Chair Furfaro: We are back to the main motion which is three (3) times thousand dollars (\$2,000) for each of the high schools for the – what do they call that?

Ms. Nakamura: Project Graduation.

The motion to add funding for “Special Projects –Project graduation (two thousand dollars (\$2,000) each for Kapa’a/Kaua’i/Waimea High Schools)” in the amount of six thousand dollars (\$6,000) was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,  
Yukimura, Furfaro

AGAINST APPROVAL: None

EXCUSED & NOT VOTING: None

TOTAL – 7,  
TOTAL – 0,  
TOTAL – 0,

SILENT: None

TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: We have one hundred four thousand five hundred forty-four dollars (\$104,544) left on the table. I mean I did get my Kapa'a Pool money so I am okay. But I would like to say that we should hold that money perhaps for contract services that might be needed for securing third party involvement in the Transient Vacation Rental issues of whether they are legal and/or enforcement. I would like to put that out there. That is my feeling. I wanted to just have some discussion it as we go forward because it sounds like something we should have in a way of a reserve. If they do not need it, there is nothing wrong with us keeping a reserve item in the Operating Budget.

Ms. Yukimura: What is your proposal?

Chair Furfaro: To earmark that for contracted services for legal services, inspection services, anything related to the Transient Vacation Rental piece, just to earmark it. The one hundred four thousand five hundred forty-four dollars (\$104,544) so we get to zero (0). It would be something that I would put in Planning even though they said no. I rethought it was the hour got later. I do not have a second.

Chair Furfaro: I have a second.

Mr. Rapozo: I do not think you can make the motion, sir.

Chair Furfaro: Oh, I cannot make the motion either. That is right. Can I transfer the Chair to you to make so I can make a motion to put the one hundred four thousand five hundred forty-four dollars (\$104,544) earmarked in the Planning Department for the purpose of support, professional, legal inspections for the TVRs?

Mr. Rapozo: Sure.

Chair Furfaro, the presiding officer, relinquished Chairmanship to Mr. Rapozo.

Chair Furfaro moved to increase Consultant Services – TVR Enforcement (Professional, Legal, Inspection, Etc.) in the amount of one hundred four thousand five hundred forty-four dollars (\$104,544), seconded by Ms. Yukimura.

Chair Furfaro: Thank you. Mr. Rapozo, I gave you the floor.

Mr. Rapozo: I am sorry. There was a second. Mr. Bynum. I apologize.

Mr. Bynum: Addressing TVRs is left on my list but there are several proposals out there. I really would like to support Justin Kollar in keeping the full staffing that he inherited. That is one area.

Chair Furfaro: Just a reminder on that, if I can clarify? If he is doing that, all fines collected goes to the State. I said that about a week and a half ago.



Mr. Bynum: If he gets a Deputy?

Chair Furfaro: No, if he uses that to do that enforcement, all of what he collects goes to the state.

Mr. Bynum: Can I just continue?

Chair Furfaro: Sure, you have the floor.

Mr. Bynum: I do not understand what you just said. It is a different issue.

Chair Furfaro: I can say it in French if you would like.

Mr. Bynum: Last year this Council voted at this level of funding for the Prosecutor's Office, Mr. Kollar did get stuck in the transition. His position was dollar funded because he had not filled it yet during his transition and he was not consulted by the Mayor. That just happened and he said that he wants to use some of that Deputy that was there last year. This is not a new position. He wants to use some of that do not Deputy's time to address criminal matters that might come out of this investigation. I also intend to support the Resolution that will be on our agenda that I think – and so I was contemplating putting about twenty-five thousand dollars (\$25,000) to thirty thousand dollars (\$30,000) in the Council Services Budget...

Mr. Rapozo: Mr. Bynum, right now we have his motion.

Mr. Bynum: I know.

Chair Furfaro: We have to vote on it.

Mr. Rapozo: Let us deal with his motion which is the one hundred four thousand five hundred forty-four dollars (\$104,544) that would go into Planning for consultant services. Let us deal with that one first because if that passes, there is nothing left.

Mr. Bynum: I had the floor and I was in the middle of a rationale of why and I would not support that and again I got interrupted in the middle.

Mr. Rapozo: Mr. Bynum, you use that all of the time.

Mr. Bynum: Well, call a point of order.

Mr. Rapozo: Hang on. I am just trying to say...

Mr. Bynum: Can I finish please?

Mr. Rapozo: Yes. I am just trying to say that the item on the agenda, the item being voted on is Mr. Furfaro's motion for one hundred four thousand five hundred forty-four dollars (\$104,544). If you do not want to vote for that, then you vote "no" and then propose what you wanted. That is how this process has been all day.

Mr. Bynum: I waited patiently until I was recognized. I was  
in the middle of a statement.

Mr. Rapozo: Talking about a Resolution.

Mr. Bynum: If you want to interrupt me, call a point of order.

Mr. Rapozo: No.

Mr. Bynum: Do you not agree that the point of process?

Mr. Rapozo: No, I do not agree. I believe as the Chair, if  
people start to stray, I bring them back. That is the process.

Mr. Bynum: May I finish?

Mr. Rapozo: I am sorry.

Mr. Bynum: May I finish?

Mr. Rapozo: Please, but again, keep it to the Planning  
Department consultant services, one hundred four thousand five hundred forty-four dollars  
(\$104,544).

Mr. Bynum: That is what I am trying to do. There are a  
number of ways we can address the TVR issue in the choices that we have. This is not my  
personal choice of where the funds should go. I am not going to support the motion, but I  
will have subsequent motions to try to address these concerns.

Mr. Rapozo: Thank you very much. Any other questions or  
comments for Mr. Furfaro. Mr. Hooser.

Mr. Hooser: I applaud the Chair for wanting to support a  
Resolution and support dealing with the TVR issue. But I hesitate to provide the Planning  
Department with additional funds. I am also going to have a difficult time supporting the  
motion.

Mr. Rapozo: Thank you. Anyone else? Councilmember  
Nakamura.

Chair Furfaro: May I say something? I am prepared to  
withdraw it, if somebody could withdraw their second. I can see it will not get the five (5)  
votes necessary. I just wanted to put it out there based on what is coming up on our agenda  
Wednesday.

Chair Furfaro withdrew his motion to increase Consultant Services – TVR  
Enforcement (Professional, Legal, Inspection, Etc.) in the amount of one hundred  
four thousand five hundred forty-four dollars (\$104,544). Ms. Yukimura withdrew  
her second.

Chair Furfaro: I will take the meeting back.

Mr. Rapozo: Go ahead.

Mr. Rapozo, the presiding officer, relinquished Chairmanship to Chair Furfaro.

Chair Furfaro: We still have one hundred ten thousand five hundred forty-four dollars (\$110,544). I do not know if you folks want Jan Ken Po or what do you want? Do you want to go around the table and hear some general information? Let us go around the table and see who has what hanging out there. Let us keep it within brevity because we have twelve (12) minutes before dinner time.

Mr. Rapozo: Can we start this way?

Chair Furfaro: Sure.

Mr. Rapozo: I was the first one.

Chair Furfaro: Go ahead.

Mr. Rapozo: This is a big one, ninety-four thousand nine hundred forty-eight dollars (\$94,948) to restore the home delivered meals, Meals on Wheels, that was reduced. This would replace or restore the weekend meals and the caregiver meals back to what we had this year. So that would be my motion to restore ninety-four thousand nine hundred forty-eight dollars (\$94,948) to the elderly affairs consultant services.

Mr. Rapozo moved to add funding for "Consultant Services –Home Delivered Meals and In-Home Services" back to Fiscal Year 2013 in the amount of ninety-four thousand nine hundred forty-eight dollars (\$94,948), seconded by Mr. Kagawa.

Chair Furfaro: Mel, we are going to go around the table. I am not look for seconds, I am looking for discussion.

Mr. Kagawa: Sorry. I withdraw the second.

Mr. Kagawa withdrew his second to add funding for "Consultant Services –Home Delivered Meals and In-Home Services" back to Fiscal Year 2013 in the amount of ninety-four thousand nine hundred forty-eight dollars (\$94,948).

Chair Furfaro: So, can you value what people have out there.  
Mr. Kagawa, do you have something?

Mr. Kagawa: No more.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: Mine was exactly the same as Councilmember Rapozo's.

Chair Furfaro: JoAnn.

Ms. Yukimura: I have forty-six thousand two hundred seventy-two dollars (\$46,272) for a Transit Plan Coordinator in the Transportation Agency.

It is a three quarter time position to help manage all of the projects that are going to be in Transportation from the Transit Corridor Studies to the bus shelters and to other needs as part of the three (3) plans that was given to us by Celia Mahikoa for Fiscal Year 2014.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: We are supposed to say what is left on our wish list?

Chair Furfaro: Yes.

Mr. Bynum: What is left if keeping the position that the Prosecutor had? I had hoped to refund KVB ninety thousand dollars (\$90,000) to keep them at last year's level. But I guess I will have a hard time with that seeing how we are going to let local people pay the difference not the Visitor Industry.

Chair Furfaro: That was not real fair for that comment. That was not fair.

Mr. Bynum: Comments are okay when they come from this side of the table, but not this side?

Chair Furfaro: Come on. We have ten (10) minutes.

Mr. Bynum: I think if we are going to invoke upcoming Resolution for the Council, we are going to need some consultant money for that. So, that is all I had left.

Chair Furfaro: Give me your two (2) again, KVB?

Mr. Bynum: I am not going to make that proposal. But Prosecutor's position and some funds for the Council.

Ms. Nakamura: How much is the Prosecutor's?

Mr. Bynum: I believe to fully do that is one hundred thirty-two thousand dollars (\$132,000).

Chair Furfaro: We do not have one hundred thirty-two thousand dollars (\$132,000) so let us partial, maybe six (60) months or something of that nature, three fourth time.

Mr. Bynum: Well, I do not think we are limited just to these funds.

Chair Furfaro: I am not going back to find money. The adds are done, everybody had time. I explained those rules at the beginning.

Mr. Bynum: I think Scott could probably give us something here, three quarter. That actually makes sense because it would take some time to recruit.

Chair Furfaro: That is yours on your list. Nadine, your list?

Ms. Nakamura: Councilmember Yukimura and I have been working on a proposal to bring together different stakeholders in our community around Genetically Modified Organisms (GMO) issue. We are proposing fifty thousand dollars (\$50,000) to hire a facilitator to have a GMO roundtable. Maybe Councilmember Yukimura can, do you want to...

Chair Furfaro: I am not going to get into a lot of discussion on it. We just want to know what is out there.

Ms. Nakamura: I would pass around a description of what is envisioned.

Chair Furfaro: That you can do.

Mr. Kagawa: Mr. Chair, I think yours got eliminated and I would like to see what else you have and I would like to do my best to support you. I think you deserve an add after putting up with this budget and finding those extra moneys.

Chair Furfaro: Thank you. But I think my role is also to be a team builder here and I withdrew my item and leave it at that. I want to go around the table and summarize real quick what our choices are. We have Meals on Wheels. First thing to make sure that you folks understand that the budget was not cut by us. For those of you that did not know this, the budget was cut by the money that we got from the State previously. I want to make sure we are really clear on that. Our contract was for five (5) day meal and the State gave us extra money to do the Saturday and Sundays. I want to make sure we are all clear out there this is not something that County is reducing. This is something when we were given money by the State to apply that, but they did notice give us additional money. That is one item. Item two is restoring in the Prosecutor's Office a three quarter position which will come out to about that amount and from JoAnn, we have forty-six thousand two hundred seventy-two dollars (\$46,272) Transportation Planner, is that right, JoAnn?

Ms. Yukimura: Yes.

Chair Furfaro: And Nadine and JoAnn have talked about facilitating a GMO roundtable for fifty thousand dollars (\$50,000). If we end up with the roundtable along with the planner, those two (2) items together would have taken us to a bottom line zero (0).

Ms. Yukimura: Mr. Chair?

Chair Furfaro: Yes.

Ms. Yukimura: What is the figure that we are putting in for the Prosecutor Attorney three quarter time?

Mr. Bynum: It would be one hundred nine thousand four hundred ninety three dollars (\$109,493)

Ms. Yukimura: Okay. I have one (1) small figure.

Chair Furfaro: You have one (1) small figure?

Ms. Yukimura: One (1) other small figure.

Chair Furfaro: Put it on the table for now.

Ms. Yukimura: It is three thousand dollars (\$3,000) support for a Housing Advisory Committee which we are already developing. I have a sheet. But I am thinking we can encumber six thousand dollars (\$6,000) this year and then we have about three thousand dollars (\$3,000) that I would like to be able to add to the next year's budget.

Chair Furfaro: Well, if Planning would move quickly, we could encumber the whole twelve thousand dollars (12,000) and not have to visit that.

Ms. Yukimura: I would like to try that. I just want a fallback position. But then I am wondering, for these amounts, can we not just make a small shift in the estimate the amount that over what we think the balance will be?

Chair Furfaro: You folks can come up with more money, that is great. I came up with one million ninety-two thousand dollars (\$1,092,000). I have not other adds for money to find it, to research the financial statement, and to look at the balance sheet. If you can find it fine. If not, here is the other solution. We can leave, Scott, we can leave a balance in this for miscellaneous and took the seven hundred seventy thousand dollars (\$770,000) from, we put the one hundred ten thousand dollars (\$110,000) back.

Ms. Yukimura: What is that?

Chair Furfaro: When I went through the financials I found the unassigned balance of seven hundred seventy thousand four hundred thirteen dollars (\$770,413). What I am saying is we do not reach any agreement until somebody comes up with something more firm, we can keep the one hundred ten thousand five hundred forty-four dollars (\$110,544) in that contingency, in that Unassigned Fund until you folks work a little quicker to finalize what your needs are. That is another option, too.  
Mr. Kagawa

Mr. Kagawa: Mr. Chair, I think we have four (4) pretty good proposals. Maybe we just go around and see if any of those have five (5) votes. Just, do a roll call.

Chair Furfaro: I do not want to do a roll call, I want to do a show of hands. I do not want anything formal.

Ms. Nakamura: I have another one to add. If we are going to do that all around voting, I am going to throw...

Mr. Rapozo: Point of order, Mr. Chair. I believe we have to do a motion and second. We cannot be doing polls.

Ms. Yukimura: Well, we are doing a straw vote.

Mr. Rapozo: We cannot do that. We have to go with the motion.

Chair Furfaro: We are not doing a straw poll. What we are doing is what is left on the table that people want and this can be rationalized based on the fact that we only have one hundred four thousand dollars (\$104,000). I would suggest that we put this into a contingency, an unappropriated fund, that sits there until we see what comes to the table first. At first glance myself, I would like to see the GMO piece. I would like to see the forty-six thousand dollars (\$46,000) for the bus. But I do not want to push this as an idea right now. I mean, people have got to come back to us with wanting to use that money. I have said where I am at.

Mr. Rapozo: Mr. Chair, does it just go back into?

Chair Furfaro: Unassigned Fund Balance.

Mr. Rapozo: Back into the Administration budget though, right?

Chair Furfaro: Yes.

Mr. Rapozo: So for that matter, we would have balanced our budget? We would have balanced out our budget? It would not be available for Council to use is what I am trying to say. It would go back into the unassigned and so for our work tonight, we are done. I am motion that we do that.

Mr. Rapozo moved to add funding to "Unassigned Fund Balance" in the amount of one hundred four thousand five hundred forty-four dollars (\$104,544), seconded by Mr. Hooser.

Chair Furfaro: A motion and second.

Ms. Yukimura: What is the motion?

Chair Furfaro: Restate the motion, Mr. Rapozo.

Mr. Rapozo: The motion is to take that one hundred four thousand five hundred forty-four dollars (\$104,544) and put it back into the unappropriated surplus. But that is not in the Council's budget is what I am trying to say.

Chair Furfaro: Unassigned.

Mr. Rapozo: Unassigned. It goes back into the Unassigned in the Administration's budget. So, for our purposes, we have a balanced budget. It is over and the discussions are over and there are no more opportunities to propose more projects. That is what we would do. We cannot put the money on the side and say, if any of you come up later with five (5) votes that we are going to take the money back. It goes back to the Unassigned and we are done tonight. That is what my motion is.

Chair Furfaro: Second by Mr. Hooser.

Mr. Hooser: Yes.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: In essence, all of the things we just talked about, none of them will happen and the only way to access those funds is with a Money Bill?

Mr. Rapozo: Correct.

Chair Furfaro: Yes, and a good plan that can be justified to the whole body.

Mr. Bynum: I am not going to support that. I think we should finish the budget process and if we vote more funds than currently available, then we revisit looking at revenue. It is not going to be a huge amount of money even if we voted all of these things and we can find it. There are ways. We could revisit the one percent (1%) we put in energy as a two percent (2%), for instance.

Chair Furfaro: We did put two percent (2%).

Mr. Bynum: No, I thought we did one percent (1%).

Mr. Rapozo: Call for the question, Mr. Chair.

Chair Furfaro: Let us call for the vote on this going to the Unassigned Fund.

Mr. Rapozo: We only need four (4) votes.

The motion to add funding to "Unassigned Fund Balance" in the amount of one hundred four thousand five hundred forty-four dollars (\$104,544) was then put, and carried by the following vote:

FOR APPROVAL: Hooser, Kagawa, Rapozo, Furfaro	TOTAL – 4,
AGAINST APPROVAL: Bynum, Nakamura, Yukimura	TOTAL – 3,
EXCUSED & NOT VOTING: None	TOTAL – 0,
SILENT: None	TOTAL – 0.

Ms. Fountain-Tanigawa: 4:3.

Chair Furfaro: You come up with a plan amongst things that were discussed and we will look at a Money Bill for that. Now we need to go to provisos. Does anybody have any provisos on the items that we have identified? Councilwoman Yukimura.

Ms. Yukimura: I have to find my paper.

Chair Furfaro: If it is an add, it is five (5) votes. JoAnn, you have the floor for provisos.

Ms. Yukimura: I would like to put a proviso in regarding the Food Production Center Feasibility Study and Business Plan which is Account No. 001-0901-512.30. It would read as follows: No moneys shall be expended related to the Lihue Civic Center site until a ten (10) year Space Plan Needs Study for the County is discussed with the County Council and the Office of Economic Development and the Kaua'i



Economic Development board have conducted and completed a site selection process. I would appreciate a second for discussion.

Ms. Yukimura moved to add a new proviso Kaua'i Economic Development Board – Food Production Center – Feasibility Study and Business Plan (Account No. 001-0901.512.30-00): No moneys shall be expended related to the Līhu'e Civic Center site until a 10-year space needs study for the County is completed and discussed with the County Council and the Office of Economic Development and the Kaua'i Economic Development Board (KEDB) has conducted and completed a site selection process, seconded by Mr. Bynum.

Chair Furfaro: We have a second for discussion.

Ms. Yukimura: I see it is up there posted and if I might explain,  
Chair?

Chair Furfaro: Go right ahead.

Ms. Yukimura: It is very targeted. It says no moneys shall be expended related to the Civic Center site. So, anything that has to do just with the concept and the business plan and everything would continue or would be expended. But to the extent that there would be construction or design plans for that specific site based on measurements, space, and all of that of the center, that would not be allowed to be expended until there is a complete site selection process and the Council is briefed on that in terms of what the criteria are that were used to find a site and the fact that various sites were looked at in this Līhu'e area to see what was the best site.

Chair Furfaro: I had a second for discussion. Further discussion  
members? Go ahead.

Mr. Bynum: I have been a big supporter of these CEDS programs and I think I will continue to be. Although on this one, I was pretty uncomfortable about how quickly it became this site and none others. I do not know that a whole evaluation has been done. I do not want to slow down progress too much either though. But I do think that it is premature to say it is that site and spend money on a particular site. I do not think that was the original intent either. I do not know. I want to hear more from Councilmember Nakamura on how she feels about this.

Chair Furfaro: Let me give Councilwoman Nakamura the floor  
then.

Ms. Nakamura: I have no problem with this language.

Mr. Bynum: Thank you.

Chair Furfaro: Further discussion here? Go ahead.

Mr. Rapozo: JoAnn, I know we discussed this. But the ten (10) year Space Needs Study, when was that anticipated, do we know? We do not need to bring them up.

Ms. Yukimura: No, well I was not even clear whether it is going to be a ten (10) year study.

Mr. Rapozo: Right.

Ms. Yukimura: I think Mr. Dill said he thought five (5) years was far too short. I know that as you go farther, it is harder to do projections. I thought ten (10) year at least would be logical.

Chair Furfaro: Go ahead.

Ms. Nakamura: Now that you bring this up Councilmember Rapozo, I think my understanding now from today's discussion is that the consultant's scope will need to be expanded so forth and then they are going to initiate the study from that point on. I think we might want to take a look at this language because I am wondering if there can be some parallel tracks going on.

Ms. Yukimura: Well that is why I said related to the Civic Center site because I want to allow them to do the other work. I do not want to stop the work on the basic concept and the management plans. I want to point out the...

Chair Furfaro: Let me make a note here, we are passing 6:30 p.m. If we cannot finish this by 7:00 p.m. your choices are to come back tomorrow or have to send the staff to do the provisos. Let us be real clear what we are presenting here to get out of here by 7:00 p.m.

Ms. Yukimura: Mr. Chair.

Chair Furfaro: You still have the floor, it was a housekeeping.

Ms. Yukimura; Well, procedurally I would like to suggest that we come back and finish up tomorrow.

Chair Furfaro: We are only five (5) members tomorrow.

Ms. Yukimura: Well, I think it is better than really closing the budget with us feeling sort of incomplete.

Chair Furfaro: I do not feel incomplete at all, JoAnn. I want to make sure that you understand. After seventeen (17) days that I feel incomplete at all. In fact, where I am at is I have been very generous allowing the dialogue and I also want to say to you that I would like to give the staff free day tomorrow to make absolutely sure that we are in balance. What we are talking about now is narrative for the provisos. We are not talking about money. There is no more money.

Ms. Yukimura: Then Chair, I want to just continue on this issue then.

Chair Furfaro: Go ahead.

Ms. Yukimura: If you look at the Kaua'i Creative Technology Center, I really like the process where the last page talks about the implementation phase

and it shows formation of a Charter Board, formation of a new Non-Profit Organization, and site selection because I think the people who are going to be managing the project need to be part of the site selection process and that has not happened with this center. I also want to say that if you skip an essential step, that can be a major mistake and I feel the site selection process has been skipped in this. Somebody just said we can do it here because when I have asked for what are the criteria for a site, no one has been able – actually Susan Tai sent me a list of criteria about three (3) days ago that she had though scramble and ask the consultant for and it did not even have the length of tenure that is required for this.

Chair Furfaro: The item that is on is the narrative.

Ms. Yukimura: Yes and I am explaining Chair, why it is important.

Chair Furfaro: Let me tell you what I got out of your piece. You should have voted “no” on the item, if that is how you felt.

Ms. Yukimura: But I supported the concept.

Chair Furfaro: Let us find verbiage that you happy with, that we can put in the proviso, in the narrative.

Ms. Yukimura: I just want to say that when the YMCA was looking for a pool site they wanted to do it with the Kaiākea Fire Station is and that was there place. They were very angry when I questioned is as Mayor. But then this other site came up and because they had not gone through a real clear selection process.

Chair Furfaro: We can look back on that, that might be one of the reasons that we let the Kapa’a pool go to pot because we thought it would be by the fire station. Work on the narrative if you want in this proviso piece.

Ms. Yukimura: Well, that is explaining the reason for my narrative.

Ms. Nakamura: Rather than – sorry.

Chair Furfaro: Nakamura, you have the floor.

Ms. Nakamura: Rather than say “no moneys shall be expended” can we just say that the Office of Economic Development and Kaua’i Economic Development Board will conduct and complete a site selection process and present this information to the Kaua’i County Council before undertaking the subsequent steps?

Chair Furfaro: The County Attorney wanted to speak. I am going to suspend the rules, Al.

There being no objections, the rules were suspended.

Mr. Castillo: I understand what you are trying to do with the provisos, but then we are dealing with the invasion of the separation of powers. When you do an appropriation, you cannot tie in or put in instructions so to speak and there is a case law on that.

Chair Furfaro: Thank you, Al.

Mr. Castillo: You are welcome.

There being no objections, the meeting was called back to order and proceeded as follows:

Ms. Nakamura: Maybe just to give you some assurance too, that when the consultant worked on the scope of work for the next phase, doing a site selection process was part of the scope of work. It may have been dropped. That portion may have come out in the process, but that was the intent based on Council feedback.

Ms. Yukimura: My concern is that I am concerned that the site selection process will be just nominal, going through the process rather than really looking at this issue. This is a way, I felt without stopping the projects which I do not want to do, but I am very, very concerned that skipping this process will almost lead to a not successful project or create great conflicts that we will later regret.

Chair Furfaro: Let us find any further comments on the piece that was recommended by Ms. Yukimura? Mr. Bynum.

Mr. Bynum: I am just going to throw out the suggestion after reading this six (6) times. That we eliminate the portion related to the Space Plan and simply say no moneys shall be expended related to Lihu'e Civic Center site until the Office of Economic Development and Kaua'i Economic Development Board have conducted and completed a site selection process because that is what we really want, right? We want them to have objective look at all potential sites.

Chair Furfaro: That is what is out on the table right now and I am thinking that I am going to call for the vote on the narrative for the proviso. Mr. Rapozo.

Mr. Rapozo: That is fine. I just wanted to make sure I heard Al correctly. Based on Al's comments, cannot do it. I will call for the question.

Chair Furfaro: Let us call for the vote.

The motion to add a new proviso Kaua'i Economic Development Board – Food Production Center – Feasibility Study and Business Plan (Account No. 001-0901.512.30-00): No moneys shall be expended related to the Lihu'e Civic Center site until a 10-year space needs study for the County is completed and discussed with the County Council and the Office of Economic Development and the Kaua'i Economic Development Board (KEDB) has conducted and completed a site selection process was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Yukimura  
AGAINST APPROVAL: Kagawa, Nakamura, Rapozo, Furfaro  
EXCUSED & NOT VOTING: None  
SILENT: None

TOTAL – 3,  
TOTAL – 4,  
TOTAL – 0,  
TOTAL – 0.

Ms. Fountain-Tanigawa: 3:4.

Chair Furfaro: Four (4) noes.

Mr. Bynum: Can I just make a comment?

Chair Furfaro: Yes, sure.

Mr. Bynum: I want to strongly encourage the Administration to do a site selection and not just line everything up to go to this site before we go to others, please.

Chair Furfaro: I would like to second that that is the message.  
Mr. Hooser.

Mr. Hooser: Just another brief comment. I believe the County Attorney is correct, but I also believe that the Council can express its desires and show direction and give direction even if we cannot enforce it. So, I support the proviso process.

Chair Furfaro: Understood. The statement does not necessarily mean compliance, but it shows direction. Well said, Mr. Hooser. Any other provisos here?

Ms. Nakamura: I have one?

Chair Furfaro: We have fifteen (15) minutes.

Ms. Nakamura: Hopefully this will go quickly. This is to get quarterly statements from the Director of Finance that includes the summary report of revenues for each fund showing for each month the cash receipts and unrealized balance of revenues compared to budgeted revenues and then the second quarter part is the summary report of expenditures for each fund, Department, and elements showing for each month the cash disbursements, current encumbrances, unencumbered balance, and percent of budget remaining. When these quarterly summary reports are on our agenda, to have the Director of Finance really, our Chief Financial Officer, to address the body to highlight some of the key points, the key variances, and any irregularities and to be here to answer any questions related to this. This idea is just to move us away from this huge document that is very difficult to read and understand to something that is much more user friendly to the public as well and to have the Chief Financial Officer present that to the corporate body on a quarterly basis.

Ms. Nakamura moved to remove Section 21 of the Operating Budget Proviso which states:

“SECTION 21. No later than thirty (30) calendar days after the close of each quarter, the Director of Finance shall submit to the Council a Combined Statement of Cash Receipts and Disbursements (“Combined Statement”) showing for each month for each individual account and fund the cash balance at the start of the accounting period. Upon receipt of each quarterly Combined Statement, the Council may hold hearings for purposes of

reviewing each Combined Statement. All information submitted pursuant to this Section shall be provided in an electronic soft copy format.”

and add new language as follows:

“SECTION 21. No later than thirty (30) calendar days after the close of each quarter, the Director of Finance shall submit to the Council the following:

- a) Summary Report of Revenues for each fund showing for each month the cash receipts and unrealized balance of revenues compared to the budgeted revenues.
- b) Summary Report of Expenditures for each fund, department, and element showing for each month the cash disbursements, current encumbrances, unencumbered balance, and percent of budget remaining.

Each quarterly Summary Report of Revenues and Expenditures shall also include a summary from the Director of Finance which highlights key variances in revenues and expenditures or any other notices of financial irregularities that the Council should be aware of. Upon receipt of each quarterly Summary Report of Revenues and Expenditures, the Council may hold hearings for purposes of reviewing each report with the Director of Finance. All information submitted pursuant to this Section shall be provided in an electronic soft copy format.” seconded by Mr. Hooser.

Chair Furfaro: Let me tell you folks, and Steve I want you to know, that is something that we have been working for so many years. It is really unfortunate that we have to put it in the way of a proviso. We go six (6) months and we do not see the quarterly reports. I want sure that you understand, it is not the quarterly reports that are in this proviso, it is a summary sheet showing balances, cash collections, those particular things. Please, please pay very particular attention to the comments made in this proviso. Steve, did you want the floor?

There being no objections, the rules are suspended.

Mr. Hunt: During the first six (6) months, the Accounting Office is working on the CAFR so there is a delay for the first two (2) quarters and then it comes in bulk after that. In terms of getting the quarterlies, we will work on a summary format that is more readable, more intelligible that you can make more broad decision on. But in terms of the first two (2) quarters, again in a timely basis that may still present us with challenges.

Chair Furfaro: That is why I brought it up. The problem is not getting it. The problem is how long we wait for it because of all the other things that are piling. You are closing the year month thirteen (13). You are still look for cash receipts and so forth. Then we go half a year and I have to do my own analysis. That is s a problem. So, make sure you understand that if we pass this, which I think we will, you

have to figure out that solution. It is a tough one, but you have to figure out that solution because we are flying blind for six (6) months.

Chair Furfaro: Questions for Mr. Hunt? Comments on the proposal? Go ahead, Mr. Kagawa.

Mr. Kagawa: Thank you, Mr. Chair. Steve, that proviso is acceptable for you is it reasonable, the thirty (30) days?

Mr. Hunt: We are looking at quarterly reports?

Mr. Kagawa: Yes. But thirty (30) days after the quarter.

Mr. Hunt: Again, I am going to see what I can do about the first two (20 quarters because that is always challenging and with limited staff resources, it has to be deployed for the auditors that come in for the CAFR. It is going to be a challenge.

Mr. Kagawa: This is why I asked, I do not want to put something basically in law that you have to abide by that it is not fair to you to get to us in a reasonable time. If we should make it forty-five (45) then I want to do it now.

Mr. Hunt: The thirty (30) days after the quarter is not the challenge, it is just the first two (2) quarters and that has always been the challenge. Once where we getting through the year and the CAFR is done, then we certainly can deploy our resources in and get those timely. But while we are spending thin during the period that we use resources for both, then we have the challenges. Frankly, I am not sure how will we get over that, but we will do our best.

Mr. Kagawa: Thank you, you have answered my question.

Chair Furfaro: I will give Mr. Bynum the floor, but what I also want to say is that we are current now. I have the eight (8) month report. So, it is the upfront that is where we get hurt.

Mr. Hunt: Yes.

Chair Furfaro: Mr. Bynum.

Mr. Hunt: I think this proviso is great and well needed. But I do understand exactly what you are talking about. I still think that we can put this up there and your first quarter report might be here is the difficulties we have and why. It will give us an opportunity to understand that and maybe come up with solutions for the future. I think it is good the way it is worded. I just say that I know Councilmember Furfaro ever since I have been on Council has done these analyses. A few years ago, I started doing it and it was difficult because compared to other budgets that I have looked at, government budgets and certainly compared to non-profits where I was responsible, it is really complex and to have the Director of Finance do that for all Councilmembers and present it, I do not think is an unreasonable request and puts us on the same page.

Mr. Hunt: I think to some degree with the interaction between the Accounting and the Budget Team, Ken and Ann have done a great job to assembling a lot of that financial information to compare budget to actuals as we go by on a

fund basis as well. So, some of the bones of preparing that summary are already in place. But again, from the first two (2) quarters it is just a matter of getting the Accountants to do both and CAFR and we are stretched.

Mr. Bynum: I think we would understand that and give a lot of latitude in the first and second quarters. Your report might be currently we are at this state and we anticipate by this date we can give you more what you ask for kind of thing.

Chair Furfaro: I am going to go back to Vice Chair Nakamura. Thank you for pointing that out our mutual concern.

Ms. Nakamura: I do not mind making a modification to this, making an exception for the first two (2) quarters of the year to recognize your staff's constraint.

Mr. Hunt: That would be helpful and again, we will do everything we can to get you useful information as timely as possible without interfering with our primary goal too which is getting the CAFR and getting you fund balances.

Ms. Nakamura: It would read with the exception of the first two (2) quarters of the year.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: I am holding you on your message of *Kōkua* because the other way is we can think about the new Kentucky Fried Chicken piece. I ate the bones, but nobody told me there were no bones in the chicken. Are you going to offer a verbal change? While that is being changed, are there any other provisos? Any other provisos? Okay going once, going twice, we are going vote on this item here. You folks have had it changed for us because we do not want to vote on something that we do not have in writing. Is the change coming? It is up on the board. Clerk, make note that we are voting on what is on the board.

Ms. Yukimura: With the exception of the first two (2) quarters?  
I see where it is.

Chair Furfaro: Is that acceptable to you, Vice Chair? Call for a roll call vote, please.

Ms. Nakamura: With the exception of the first two (2) quarters of the fiscal year.

Chair Furfaro: Roll call vote please.

The motion to remove Section 21 of the Operating Budget Proviso which states:

“SECTION 21. No later than thirty (30) calendar days after the close of each quarter, the Director of Finance shall submit to the Council a Combined Statement of Cash Receipts and Disbursements (“Combined Statement”) showing for each month for each individual account and fund the cash balance at the start of the accounting period. Upon receipt of each quarterly



Combined Statement, the Council may hold hearings for purposes of reviewing each Combined Statement. All information submitted pursuant to this Section shall be provided in an electronic soft copy format.”

and add new language as follows:

“SECTION 21. No later than thirty (30) calendar days after the close of each quarter (with the exception of the first two (2) quarters of the fiscal year), the Director of Finance shall submit to the Council the following:

- a) Summary Report of Revenues for each fund showing for each month the cash receipts and unrealized balance of revenues compared to the budgeted revenues.
- b) Summary Report of Expenditures for each fund, department, and element showing for each month the cash disbursements, current encumbrances, unencumbered balance, and percent of budget remaining.

Each quarterly Summary Report of Revenues and Expenditures shall also include a summary from the Director of Finance which highlights key variances in revenues and expenditures or any other notices of financial irregularities that the Council should be aware of. Upon receipt of each quarterly Summary Report of Revenues and Expenditures, the Council may hold hearings for purposes of reviewing each report with the Director of Finance. All information submitted pursuant to this Section shall be provided in an electronic soft copy format.” was then put, and carried by the following vote:

FOR APPROVAL: Bynum, Hooser, Kagawa, Nakamura, Rapozo,  
Yukimura, Furfaro

AGAINST APPROVAL: None

EXCUSED & NOT VOTING: None

SILENT: None

TOTAL – 7,  
TOTAL – 0,  
TOTAL – 0,  
TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Chair Furfaro: Seven (7) ayes. I believe we have no more provisos. On that note I want to share to all of you folks a couple of housekeeping items. This gives the staff all day tomorrow for the purpose of allowing any corrections on the exact amounts we were looking at today and also provides them that little buffer in the amount that we put on the side, that one hundred four thousand dollars (\$104,000), in case there is an addition problem and so forth. Now this would go into Committee on the 15<sup>th</sup>.

Ms. Fountain-Tanigawa: The amendments will be posted on the 15<sup>th</sup> and it will be in Committee on the 21<sup>st</sup>. The Operating Budget, the CIP, the plus/minus sheet and Real Property Tax Resolutions, on the 21<sup>st</sup> and second and final reading on the 28<sup>th</sup>.

Chair Furfaro: Full Council?

Ms. Fountain-Tanigawa: Full Council.

Chair Furfaro: What gets posted and so forth, does not mean we get to the 21<sup>st</sup> and start managing changes. There are no changes. You either vote “yay” or “nay” and we are moving on. I want to say to the staff, thank you so much. I want to say to my colleagues here at the table, there was healthy discussion in this budget and it was very meaningful. We keep refining, at least this is the third year I have been Chair, we keep refining the process which at the end of the day, I think we get better and better at. But it is very important that we do practice patience with one another. I want to thank the Administration as well for being with us for this time. But we are now going to put this to bed. Before I go to bed in four (4) minutes, I will go around the table for comments. You have a comment?

Ms. Yukimura: Yes. Well, I just wanted to thank you, Chair, since you were thanking everybody else.

Chair Furfaro: It is a team effort.

Ms. Yukimura: Yes, and you are the leader and we appreciate all that you did especially your finding of revenues. But guiding us throughout the session and I do want to say thank you to our incredible staff and also to the Administration for their constant presence and also to the Mayor for sitting in on the hearings.

Chair Furfaro: He was here for a number of the sessions.

Ms. Yukimura: Thank you.

Chair Furfaro: Thank you for pointing that out. Any other comments? Mr. Hooser.

Mr. Hooser: I just wanted to echo Chair, you did a great job. I know it is very difficult and challenging process and a lot of personality in the room and not just at this table. It is difficult. (Inaudible). You did a great job and I really want to echo the staff and just amazing to watch the papers generated within seconds and not miss a beat all around. They did a great job.

Chair Furfaro: Thank you for sharing that. Mr. Bynum, you wanted the floor?

Mr. Bynum: Sure. Thank you Chair for your leadership in this. The public will not know how much more organized this was than last year and that is a learning process. Some of the issues that I talked to staff about because we do differently, they were way ahead of me. They had it wired already. We are going to now within in a day or two (2), have a really complete synopsis of the votes for instance. The staff is really is unsung. They work so hard to make this budget process and it went much smoother because of a lot of the behind-the-scenes things that were happening. Thank you all.

Chair Furfaro: I do agree that the one (1) addition we made this year, as we constantly make additions to make improvements, each member having private time with the Budget Staff to review kind of where each other – that was a nice new addition and we will continue on that next year. Mr. Kagawa.

Mr. Kagawa: Thank you. I want to thank members, our staff, my first budget was very exciting. I did not get all I wanted. But I got some of what I wanted and that is the result of having only one (1) vote out of seven (7). I think all in all, very satisfied with the outcome. I think collectively we came up with a very responsible budget and we have yet more challenges to come. Just wanted to thank the Administration and the Mayor. My comments though at times may have seemed negative are questions that we as Councilmembers must ask. We must ask the tough questions. We must ask for tough results and that is only because we have a duty to do our jobs as well. No personal hard feelings and we will move forward, *mahalo*.

Chair Furfaro:

Mr. Rapozo.

Mr. Rapozo: Thank you, Mr. Chair and thank you for running a great budget session. This is my, I think it is my tenth budget and probably one of the most organized. One of the good things that I think helped was the one-on-one time with the Administrative staff. I told this to Steve and Ernie the other day and I will say it here publicly that the organization of your Budget Team, Gary, and the Mayor, I wish he was here. I am sure he will get the message. This year was probably the best I have seen with Ken and what do they call you folks? Budget Analysts. The way you folks explained to us months ago that led to the one-on-ones that we had was invaluable and I just want to thank you for that publicly because that was great. Then the one-on-ones with our staff. I do not know how our staff does it. We always change things. Their heads are spinning right now, have to be. But it is amazing what they do with the little resources they have as well. To our staff, thank you so much. It is just incredible what you folks do. Whatever we ask for, we get right away as Ross said and like Ross said, sometimes during the budget session emotions get high and we say things. It is because we got to ask those tough questions and we should never take it personal because it never is. It never is and often times words do not come out the way it was intended to, but just understood that we have to ask the tough questions and just ask for your patience and understanding at times. Finally, I feel good this year because the last two (2) years I did not support the budget. I could not support the budget. This year, if all goes well, unless something crazy really happens, I will be supporting the budget. I think it is a budget that we can all work with. It is so much easier when you do not have money, believe it or not. Believe it or not, it is so much easier when you do not have money and some tough decisions had to be made. One of the things that I had in my add sheet was another Accountant for your accounting. As you were talking about the proviso, I was thinking my gosh, now would have been the time. But we just do not have the money. So, we all have to do more with less. I appreciate everyone that participated and looking forward to actually voting for this budget this year. Thank you, Mr. Chair.

Chair Furfaro:

Vice Chair.

Ms. Nakamura: I think everything has been said. Again I want to thank all of you around the table. A lot of give, a lot of take and heard a lot of different perspectives around this table which is, I think, the value of our democracy. I just want to thank you all. Thank you Chair for all you put into this process while everything else is going on around us and to our staff, thank you again for all of your hard work because they stay after we leave to follow-up and then to the Administration for again, just your professionalism this year and to just keep us up-to-date and transparent about our process. Thank you very much for all you did.

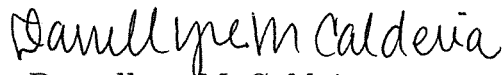
Chair Furfaro: On that note, I would like to say I would like to get to a point that we can adjourn the budget discussions. The vote on the budget will be the Committee of the Whole on May 21<sup>st</sup> and followed by a successful exit from Committee, it will go to the full Council on May 28<sup>th</sup> for final vote. On that note, staff, very, very pleased with all you do for us all the time. Administration, *mahalo* for the *Kōkua* and we are now adjourned.

There being no objections, the meeting was adjourned at 7:05 p.m.

Respectfully submitted,



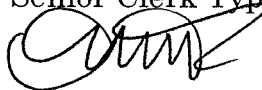
Allison S. Arakaki  
Council Services Assistant I



Darrellyne M. Caldeira  
Council Services Assistant II



Laurie Chow  
Senior Clerk Typist

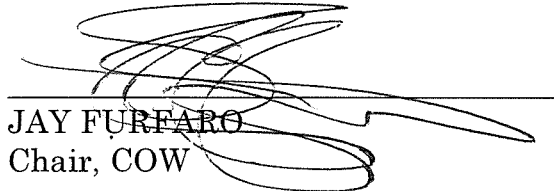


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Codie K. Yamauchi  
Council Services Assistant I

APPROVED at the Committee Meeting held on July 10, 2013:



JAY FURFARO  
Chair, COW